

**GSC Opportunities, L.P:
A Direct EB-5 Investment Project
Comprehensive Business Plan**



EXHIBIT A

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1.0 Description of Business and Objectives

1.1 Executive Summary

GSC Opportunities, L.P. (“the Partnership”) will accept a \$6 million direct investment of EB-5 capital from 12 investors to fund and operate twelve Gold Star Chili restaurants. GSC Opp Management, LLC will serve as the General Partner of GSC Opportunities, L.P. Gold Star Chili, Inc. will be the managing member of GSC Opp Management, LLC. EB-5 investors will serve as limited partners in the Partnership. (see sec. 5.1)

GSC Opportunities, L.P. will not employ indirect job creation or any other advantages exclusive to EB-5 Regional Centers. GSC Opportunities and all of its wholly owned subsidiaries constitute the EB-5 new commercial enterprise for this direct, non-regional center EB-5 investment. Each of the twelve restaurant locations will be located within a 200-mile radius of Gold Star Chili’s corporate headquarters and commissary in Cincinnati, Ohio.

Gold Star Chili was founded in 1965 in Cincinnati. A privately held company, Gold Star now operates and franchises about 100 quick-serve, Cincinnati-style chili restaurants in Ohio, Kentucky, and Indiana. Gold Star has identified twelve locations ideal for new franchise restaurants within the Dayton-Cincinnati-Lexington region of southwest Ohio and Kentucky, all within a 200-mile radius of Cincinnati (see Appendix 3). Each location is targeted for its proximity to business and residential demographics that favor low-cost, quick-serve restaurants. These areas also recognize and value the Gold Star brand.



Gold Star Chili is a regional brand that competes successfully with many national fast-food brands such as McDonalds, Burger King, Kentucky Fried Chicken, and Pizza Hut. Headquarters for Yum! Brands, which owns Kentucky Fried Chicken and Pizza Hut, is located just 100 miles away in Louisville, Kentucky. The GSC Opportunities, L.P. management team (see sec. 5.2) brings over 100 years of combined executive experience. Gold Star Chili’s executives working on the GSC Opportunities team bring 30 years combined experience to the table as Gold Star executives, during which time they have successfully diversified Gold Star’s corporate and franchise portfolios. In addition to managing the Partnership, as managing member of GSC Opp Management, LLC, Gold Star Chili, Inc. will manage and oversee the start up and stabilization of each restaurant location in the GSC Opportunities, L.P. portfolio.

Twelve EB-5 immigrant investors will invest \$6 million in GSC Opportunities, L.P., and become limited partners in this new commercial enterprise. GSC Opportunities, L.P. will pool the EB-5 capital and channel the capital to a total of twelve wholly-owned subsidiary Gold Star Chili restaurant locations (see sec. 5.1). Gold Star Chili,

Inc. will contribute \$3 million total equity contribution in these twelve new locations. Gold Star's contribution represents 33% of the total capital invested. Capital will be used for both real estate and operational purposes. Real property will be owned in a real estate holding company, (RealCo), that is a wholly-owned subsidiary of GSC Opportunities, L.P. RealCo will then lease the real estate to the individual restaurants as applicable (see Sec. 5.1). Capital infusion will be based on an equity investment model and will be governed in accordance with the organizational structure and the cost breakdown (see Sec. 8.1.2). GSC Opp Management, LLC will oversee funding of the project on behalf of the investors, and will disburse funds per monthly draw schedule submitted to the management team by the restaurant operators.

Funding for the venture will be a combination of EB-5 immigrant investor funds and equity contributions from Gold Star Chili, Inc. The proposed sources of funds are as follows:

Source of Funds	Amount
EB-5 Funds	\$6,000,0000
Gold Star Chili Equity Contribution	\$3,000,000
Total	\$9,000,000

GSC Opportunities, L.P. will seek to return capital to the investor Limited Partners after 3 years or once their I-829 applications have been approved by USCIS per the requirements of the EB-5 program. However, return of EB-5 capital to the Limited Partners is not guaranteed.

1.2 Concept Description and Objectives

GSC Opportunities, L.P. on behalf of twelve EB-5 immigrant investors, seeks to fund and operate twelve Gold Star Chili restaurant locations, each located within a 200-mile radius of Cincinnati, Ohio (see Appendix 3). Detailed descriptions of the restaurant locations are covered in Sec. 3.2, Target Locations. In general, the locations will operate seven days a week, serving continuously from 10:00 a.m. to 11:00 p.m., focusing on the lunch and dinner meal periods.

	Hours
Monday	10:00am-11:00pm
Tuesday	10:00am-11:00pm
Wednesday	10:00am-11:00pm
Thursday	10:00am-11:00pm
Friday	10:00am-11:00pm
Saturday	10:00am-11:00pm
Sunday	10:00am-11:00pm

Frank Daoud and three of his brothers, all immigrants to the United States, founded Gold Star Chili in 1965, and since that time Gold Star has dubbed itself “the Flavor of Cincinnati.” A privately held company, Gold Star now operates and franchises about 100 quick-serve, Cincinnati-style chili restaurants in Ohio, Kentucky, and Indiana. Gold Star is currently seeking to establish both new franchise and new corporate locations within a 200-mile radius of its Cincinnati-based commissary facility. Gold Star has developed a restaurant model with streamlined operations, a simple, focused menu, and a one-of-a-kind brand identity, designed to deliver return on investment to owner-operators. The corporate package includes direct support from Gold Star high-level management for site selection, construction, purchasing and information technology, training, operations, marketing, and the hiring of operators and general managers for the locations.

Cincinnati-style chili has a national reputation, and the Gold Star chili recipe has been a closely guarded secret for 45 years. The commissary prepares chili from scratch daily to exacting quality standards to ensure the restaurants have a consistent product. The commissary delivers chili fresh to its restaurants, and operators reheat the chili on-site. Gold Star Chili restaurants offer a “brand” dining experience. The chili-parlor style incorporates an open steam table with counter seating as the heart of the restaurant. This gives the crew the opportunity to interact with customers and create the personal connections that are the foundation of brand loyalty.

Cincinnati-style chili is significantly different from the familiar, Southwestern-style chili that originated in Texas. Thinner and soupier than its Texas cousin, Cincinnati-style chili is a smooth, meat sauce made with finely ground beef and tomatoes, garlic and onion, and a blend of spices that may include cinnamon, allspice, cloves, and chocolate. This traditional, Mediterranean sauce first became popular in the early 1920’s at a Cincinnati restaurant operated by Macedonian



immigrants. Although the sauce was Mediterranean, the style of service became unique to the region: Cincinnati-style chili is served over spaghetti or hotdogs on a bun, and piled high with finely grated, cheddar cheese. Variations include the addition of chopped onions, yellow mustard, red kidney beans, hot-pepper sauce, and oyster crackers. Since the 1920’s, other Mediterranean immigrants, including the Daoud brothers, have continued this local tradition, raising Cincinnati-style chili and the Gold Star brand to the status it enjoys today: a regional specialty with cult-like popularity.



Traditional chili dishes make up 70% of sales: coney dogs, chili cheese fries, and the “3-way,” spaghetti topped with chili and finely shredded cheddar cheese. Gold Star also adds chili to nachos and burritos for a creative twist, and offers other menu items that complement chili such as double-decker sandwiches, salads, hamburgers,

and milkshakes (see Sample Menu, Appendix 2). Carryout is a significant portion of business. Gold Star products are available online and through retail grocers.

Gold Star Chili has established corporate partnerships with many other significant local Greater Cincinnati and Northern Kentucky area businesses. Gold Star is the official chili of the Cincinnati's National Football League team, the Bengals, Cincinnati Northern Kentucky International Airport, University of Kentucky's Rupp Arena, Cincinnati Children's Hospital Medical Center and Minor League Baseball team the Lexington Legends.



1.3 Capitalization

Twelve EB-5 immigrant investors will invest \$6 million in GSC Opportunities, L.P., a Limited Partnership that will channel it into twelve, wholly-owned subsidiaries. Each of these subsidiaries will own and operate a Gold Star Chili restaurant. Gold Star Chili, Inc. will invest \$3 million total equity contribution in these twelve new locations. All EB-5 investment capital will be held in escrow until two investors have received their I-526 approvals. After this point, all funds held in escrow as well as any funds from subsequent EB-5 investors subscribing to the L.P. will be released directly to GSC Opportunities, L.P.

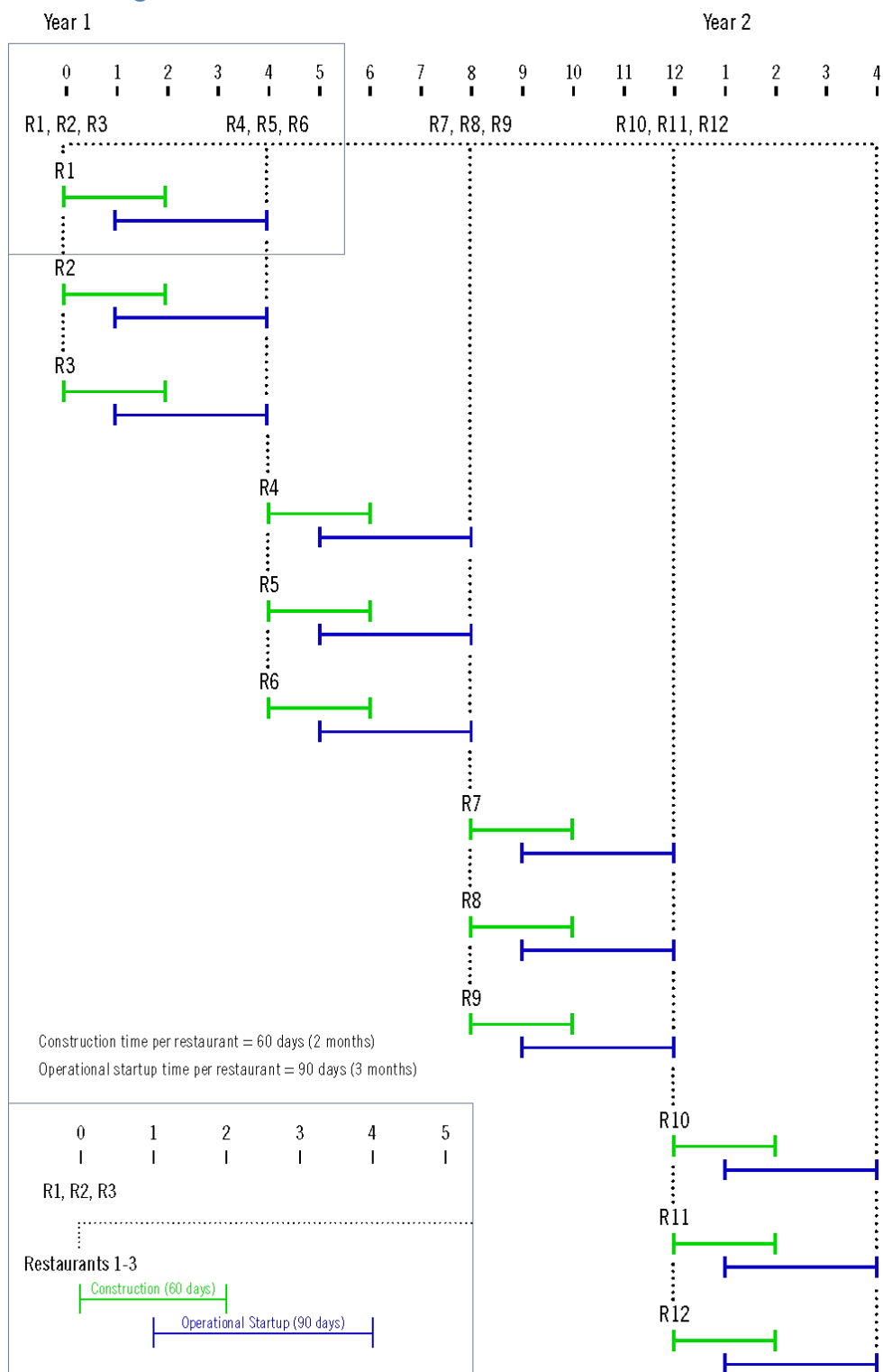
Gold Star Chili, Inc.'s contribution of non-EB-5 capital represents 33% equity contribution in each of the restaurants. Capital will be used for both real estate and operational purposes. Land/building for each of these twelve restaurants will be purchased and held in a real estate holding company, RealCo, that is a wholly owned subsidiary of GSC Opportunities, L.P. The holding company will lease the real estate to each of the twelve respective restaurant LLCs (job creating entities). Capital infusion will be based on an equity investment model and will be governed in accordance with the organizational structure (see Sec. 5.1) and the cost breakdown (see Sec. 8.1.2). GSC Opp Management, LLC will oversee funding of the project on behalf of the investors, and will disburse funds per monthly draw schedule submitted to the management team by the restaurant operators.

Funding for the venture will be a combination of EB-5 immigrant investor funds and equity contribution from Gold Star Chili, Inc. The proposed sources of funds for each of the ten locations are as follows:

Source of Funds	Amount
EB-5 Funds	\$6,000,0000
Gold Star Chili Equity Contribution	\$3,000,000
Total	\$9,000,000

1.4 Development Timelines

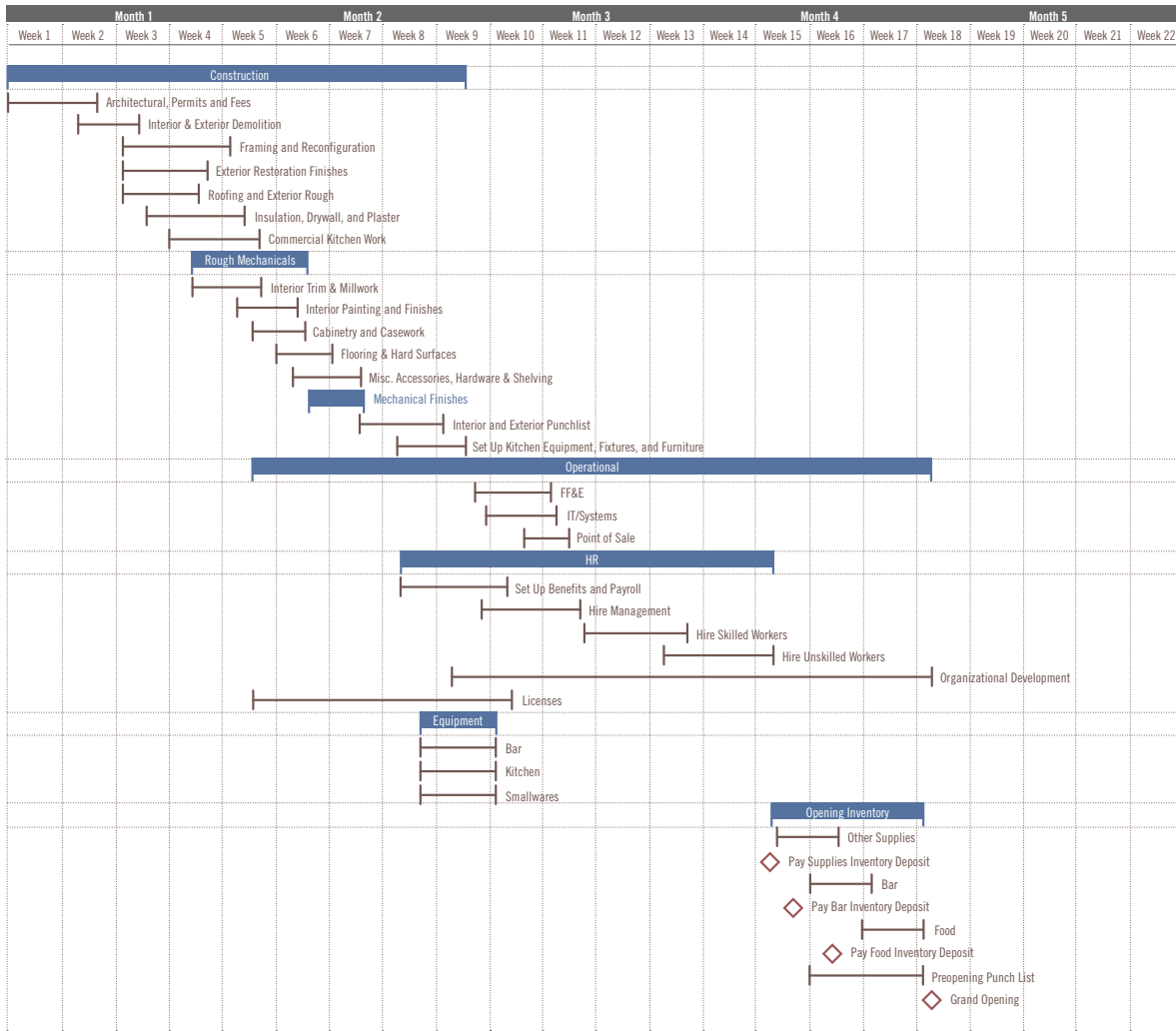
1.4.1 Phasing Timeline



1.4.2 Immigration and Project Job Creation Timeline



1.4.3 Single Restaurant Development Timeline



Tasks	Duration (working days)
Architectural, Permits and Fees	10
Interior & Exterior Demolition	6
Framing and Reconfiguration	10
Exterior Restoration Finishes	9
Roofing and Exterior Rough	8
Insulation, Drywall, and Plaster	9
Commercial Kitchen Work	10
Rough Electrical	11
Rough HVAC	11
Rough Plumbing	11
Interior Trim & Millwork	7
Interior Painting and Finishes	6
Cabinetry and Casework	5
Flooring & Hard Surfaces	5

Misc. Accessories, Hardware, and Shelving	7
Electrical Finishes	5
HVAC Finishes	5
Plumbing Finishes	5
Interior and Exterior Punchlist	7
Set Up Kitchen Equipment, Fixtures, and Furniture	7
FF&E	6
IT/Systems	7
Point of Sale	4
Set Up Benefits and Payroll	10
Hire Management	10
Hire Skilled Workers	10
Hire Unskilled Workers	10

Organizational Development	45
Licenses	24
Bar	6
Kitchen	6
Smallwares	6
Other Supplies	6
Pay Supplies Inventory Deposit	(milestone)
Bar	6
Pay Bar Inventory Deposit	(milestone)
Food	6
Pay Food Inventory Deposit	(milestone)
Preopening Punch List	11
Grand Opening	

2.0 Permits, Licenses & Contracts

2.1 Real Estate Permits and Contracts

Pre-Construction

- Demolition Permit
- Confirmation of Zoning Status
- Environmental Reports

Construction

- Building Permits
 - Separate permits for each contractor
 - Handled by each appropriate contractor or by GC
- Health Department Regulations
 - Planning
- Fire Code Regulations
 - Planning
- Proof of fully licensed and bonded contractors
- Occupancy Permit

Contracts

- Architects
- Construction
 - GC, subs, developer, etc.
- Suppliers
 - Food stuffs
 - FOH wares
 - BOH wares
 - Appliances

2.2 Operational Permits and Contracts

Operational

- Fire code inspection
- Health department inspection

3.0 Market Analysis and Competition

3.1 Target Market Summary

According to market research organization IBISWorld, in 2010 in the United States there were approximately 215,000 full-service restaurants and 300,000 fast food restaurants. Full service establishments generated \$178 billion in revenue and fast food restaurants generated \$184 billion for a combined total of \$362 billion.

The National Restaurant Association reported that in 2010 there were 21,302 “eating and drinking places” in Ohio. The Association projects that in 2012, these Ohio establishments will register \$16.6 billion in sales. A total of 6,696 eating and drinking places in Kentucky as of 2010 were expected to generate \$6 billion in revenue in 2012.

USDA Economic Research Service figures show that Americans spend approximately 5% of disposable personal income on food outside the home and approximately 73% of this expenditure occurs at eating and drinking places, meaning that Americans spend approximately 3.65% of disposable income at eating and drinking places. According to the U.S. Bureau of Economic Analysis, Ohio per-capita disposable income in 2011 was approximately \$34,000, and Kentucky per-capita disposable income was approximately \$31,000. The national per capita average was \$37,000.

3.1.1 Cincinnati Metropolitan Statistical Area

According to the U.S. Census, there are a total of 1.63 million Ohioans who reside in Hamilton, Butler, Warren and Clermont and Brown counties. These five counties constitute the Ohio portion of the Greater Cincinnati MSA. According to the same data there were 430,000 people residing in the seven Kentucky counties of the Cincinnati MSA and 79,000 within the three Indiana counties. Based on the above data, these 2.14 million people in the Cincinnati MSA spent a grand total of \$2.6 billion at eating and drinking places in 2011.

The U.S. Census Bureau counted 3,862 eating and drinking places in the greater Cincinnati, Ohio-Kentucky-Indiana Metropolitan Statistical Area in 2010. Based on this and the calculations of disposable income spent at these establishments, each establishment in the above outlined geographic region averaged approximately \$674,000 in revenue that year.

The City of Cincinnati (note: not the Cincinnati MSA) was listed in February 2011 by the Daily Beast as the #8 fast-food capital in the continental United States. This assessment was based on the existence of 313 fast-food restaurants, or 94 restaurants per 100,000 residents. There are a total of 93 Gold Star Chili restaurants throughout Ohio, Kentucky and Indiana. Gold Star’s biggest competitor, Skyline Chili (see sec. 3.3), has just over 130 restaurants in the same three states. Of

the twelve locations identified for expansion of Gold Star Chili (see sec. 3.2) eight are located in the Cincinnati, Ohio-Kentucky-Indiana Metropolitan Statistical Area.

3.1.2 Lexington, Fayette County, Kentucky

In 2010, the U.S. Census Bureau counted over 301,000 residents in Fayette County Kentucky. The territory, population and government of this county are coextensive with the city of Lexington. Lexington accounts for almost two thirds of the population of the regional MSA that it anchors. In 2002, the most recent data available, the U.S. Census Bureau counted 752 eating and drinking places, and based on the disposable income figures above, these residents expended a total of \$624,083,000 on food and drink in the Lexington MSA, averaging \$829,897 per establishment. Two Gold Star Chili expansion location is being targeted in Lexington.

3.1.3 Dayton, Ohio Metropolitan Statistical Area

In 2010, the U.S. Census Bureau counted 841,502 residents in Greene, Montgomery, Miami, and Preble Counties in Ohio, comprising the Dayton MSA. In 2002, the most recent data available, the U.S. Census Bureau counted 1,471 eating and drinking places, and based on the disposable income figures above, these residents expended a total of \$1,053,483,000 on food and drink in the Dayton MSA, averaging \$716,167 per establishment. Of the twelve locations identified for Gold Star Chili expansion, one is located in the Dayton MSA.

3.2 Target Locations

The following table lists the twenty locations proposed for the new restaurants, followed by detailed descriptions of each.

<u>Location</u>	
Germantown, OH	Over The Rhine, OH
UC Area / Clifton, OH 1	Florence, KY
UC Area / Clifton, OH 2	Palomar / Lexington, KY
Downtown Cincinnati, OH 1	Lexington Kentucky
Downtown Cincinnati, OH 2	Greendale, IN
Loveland, OH	

3.2.1 Germantown, Ohio

Germantown, Ohio is a city of 5,547 residents (2010) 15 miles southwest of Dayton. In 2000 the median per capita income was \$23,287 and the median household income was \$47,179. Established in 1804, Germantown boasts the Gunckel Town Plat, a district listed on the National Register of Historic places because of its many original 19th and early 20th century buildings. Germantown is nestled in the scenic Twin Creek Valley and the city maintains two city parks. Once the home of larger industries such as distilleries and cigar manufacturers, today Germantown's businesses are mostly smaller and locally owned. Germantown has no chili restaurants, but there are many locations of Gold Star Chili and Skyline in nearby small cities and in Greater Dayton. The new Gold Star Chili restaurant location will be located in the new Hickory Pointe Centre development being constructed by Associate Construction. The address for the new location will be 2394 Beechwood Ave.

3.2.2 UC Area / Clifton, Ohio 1

Clifton/UC is a large, densely populated urban area, located five minutes north of downtown Cincinnati, surrounding the University of Cincinnati and six regional hospitals. Clifton has excellent transportation and accessibility, conveniently located between Interstates 71 and 75. The University of Cincinnati is the region's largest employer. University and hospital employees, as well as students, are all natural patrons of quick-serve and carryout restaurants. Significant economic development is underway in the Clifton Heights area, where this plan proposes a Gold Star location: U Square @ the Loop, currently under construction, will be a multi-use, mid-rise development covering two city blocks between McMillan and Calhoun streets, across from the University of Cincinnati's main campus. U Square will offer 161 upscale market-rate apartments; 80,000 square feet of retail space; 40,000 square feet of University of Cincinnati office space; 700 parking spaces in two parking garages; and green space for social, musical, cultural, and neighborhood events. This location is ideal for a Gold Star location; the nearest Skyline Chili competitor is one mile away. The address for the new location will be 2707 Vine Street.

3.2.3 UC Area / Clifton, Ohio 2

Clifton/UC is a large, densely populated urban area, located five minutes north of downtown Cincinnati, surrounding the University of Cincinnati and six regional hospitals. Clifton has excellent transportation and accessibility, conveniently located between Interstates 71 and 75. The University of Cincinnati is the region's largest employer. University and hospital employees, as well as students, are natural patrons of quick-serve and carryout restaurants. The address at 200 West McMillan is located in heart of the shopping and entertainment district directly across the street from the University of Cincinnati's main campus.

3.2.4 Downtown Cincinnati, Ohio 1

Downtown Cincinnati's central business district comprises 12 million square feet of office space for use by 63,000 workers, and is headquarters to six Fortune 500 companies—including Procter & Gamble, Fifth Third Bank, The Kroger Company, Macy's, Inc., American Financial Group, and the Great American Insurance Company—as well as operations centers for many other Fortune 500 companies.

A mix of historical and modern buildings, the central business district is also the site of several cultural venues including the Aronoff Center for the Arts, the Lois and Richard Rosenthal Center for Contemporary Art, and the Taft Museum of Art. Downtown is a major, regional shopping district with stores such as Macy's, Saks Fifth Avenue, and Tiffany's, as well as specialty shops located in historic storefronts, mixed in with hotel chains. A variety of restaurants serve the lunch crowd, as well as upscale bars and restaurants that cater to nightlife.

Several development projects are underway. Some are new construction; others are restoration of historic buildings for condominiums, hotels, and retail space. Built in 1871, historic Fountain Square is at the heart of the central business district, and underwent renovation in 2005 to accommodate more underground parking as well as space for community events, such as Cincinnati's annual Oktoberfest, the largest German-heritage festival outside of Germany, reflecting the city's cultural heritage. Fountain Square is walking distance to the Ohio Riverfront, the National Underground Railroad and Freedom Center, and stadiums for professional sports teams Cincinnati Reds baseball and Cincinnati Bengals football. Located between these stadiums is downtown's newest improvement, The Banks, an 18-acre development of upscale housing, retail, parking, and bars and restaurants. The Banks will create 2,400 jobs and generate \$275 million annually in economic activity. The city's new 45-acre Riverfront Park, under construction, will connect the central business district to the waterfront. Over the past decade, local and federal governments have invested over \$2 billion in the overall redevelopment of Cincinnati's central riverfront.

In the northeast corner of downtown, and still within walking distance from Fountain Square, the \$400 million Horseshoe Casino development sits on 20 acres of formerly distressed urban real estate. Opening in March 2013, the casino will create 1,700 jobs, and draw 6 million visitors annually.

Gold Star Chili Downtown Cincinnati I's location will be 8 E. 4th Street.

3.2.5 Downtown Cincinnati, Ohio 2

Downtown Cincinnati's central business district comprises 12 million square feet of office space for use by 63,000 workers, and is headquarters to six Fortune 500

companies—including Procter & Gamble, Fifth Third Bank, The Kroger Company, Macy's, Inc., American Financial Group, and the Great American Insurance Company—as well as operations centers for many other Fortune 500 companies.

A mix of historical and modern buildings, the central business district is also the site of several cultural venues including the Aronoff Center for the Arts, the Lois and Richard Rosenthal Center for Contemporary Art, and the Taft Museum of Art. Downtown is a major, regional shopping district with stores such as Macy's, Saks Fifth Avenue, and Tiffany's, as well as specialty shops located in historic storefronts, mixed in with hotel chains. A variety of restaurants serve the lunch crowd, as well as upscale bars and restaurants that cater to nightlife.

Several development projects are underway. Some are new construction; others are restoration of historic buildings for condominiums, hotels, and retail space. Built in 1871, historic Fountain Square is at the heart of the central business district, and underwent renovation in 2005 to accommodate more underground parking as well as space for community events, such as Cincinnati's annual Oktoberfest, the largest German-heritage festival outside of Germany, reflecting the city's cultural heritage. Fountain Square is walking distance to the Ohio Riverfront, the National Underground Railroad and Freedom Center, and stadiums for professional sports teams Cincinnati Reds baseball and Cincinnati Bengals football. Located between these stadiums is downtown's newest improvement, The Banks, an 18-acre development of upscale housing, retail, parking, and bars and restaurants. The Banks will create 2,400 jobs and generate \$275 million annually in economic activity. The city's new 45-acre Riverfront Park, under construction, will connect the central business district to the waterfront. Over the past decade, local and federal governments have invested over \$2 billion in the overall redevelopment of Cincinnati's central riverfront.

In the northeast corner of downtown, and still within walking distance from Fountain Square, the \$400 million Horseshoe Casino development sits on 20 acres of formerly distressed urban real estate. Opening in March 2013, the casino will create 1,700 jobs, and draw 6 million visitors annually.

Gold Star Chili Downtown Cincinnati II's location will be 814 Plum Street.

3.2.6 Loveland, Ohio

Loveland, population 12,000, is a bedroom suburb of Cincinnati, 20 miles north of downtown on Interstate 275. Primarily residential, Loveland is close to upscale communities Madeira, Symmes Township, and Mason, and is growing with new residential development. The address at 700 Loveland-Madeira Road is located on the main thoroughfare and near two strip malls.

3.2.7 Over the Rhine, Ohio

Over-the-Rhine (OTR) is Cincinnati's oldest and most historic neighborhood, home to the country's largest collection of 19th-century Italianate architecture, earning the entire 360-acre OTR neighborhood distinction as an historic district listed in the National Register of Historic Places. The neighborhood's name comes from German immigrants who built and settled there.

By the beginning of the 21st century, OTR had become one of the most economically distressed areas in the country, despite its pivotal location directly between the city's two largest employment centers, the downtown business district and the uptown medical and university district. In 2003, the City of Cincinnati and the city's corporate leaders made a joint commitment to jumpstart economic development in Cincinnati's urban core, creating the Cincinnati Center City Development Corp. (3CDC), which would focus on a 110 square block area of OTR.

3CDC has invested over \$255 million in OTR. Historic buildings have now been renovated into single-family homes, condominiums, apartments, commercial spaces, and parking. The arts community, which includes the Ensemble Theatre, Know Theatre, Cincinnati Art Academy, Music Hall, and the public, K-12 School for Creative & Performing Arts are all located in OTR. A vibrant bar and restaurant scene draws patrons from all over the city. Washington Park is a two-block area of renovated green space, fountains, and playgrounds that draw families and others for recreation and local events.

Although there is an increase in residential development as well as a diverse demographic visiting the area, there is a shortage of quick-serve, low-cost restaurants. Most restaurants in the area are bars. This area would support a Gold Star restaurant; both the Gold Star brand and the neighborhood are respected as part of the city's history and identity.

3.2.8 Florence, Kentucky

Florence is a suburb of Cincinnati, located 10 miles south of downtown Cincinnati and the Ohio River. Florence, population 30,000 is rapidly growing, and presents a residential mix of lower to higher-income households of homeowners and renters, as well as significant businesses and manufacturing, Turfway Race Track, a major regional shopping area, and the Greater Cincinnati International Airport nearby. The location under consideration is next to Stafford Jewelers on Mall Road, part of the Florence Mall entertainment and shopping complex. This is a very high-traffic area day and night that draws patrons from all over the region. Mall Road has recently undergone expansion and upgrading with the use of federal stimulus funds to relieve congestion and accommodate public transportation, pedestrians, and bicycles. The Gold Star brand is regionally recognized here; the mix of shoppers, families, and workers would support a low-cost, quick-serve chili restaurant. The

new restaurant will be located at 7649 Mall Rd. across from the Florence Mall shopping center.

3.2.9 Palomar / Lexington, Kentucky

Palomar is a large, upscale subdivision of 663 homes situated on 200 acres in suburban Lexington, Kentucky, located five miles from downtown Lexington and the University of Kentucky. The median household income in the Palomar subdivision is \$91,000. The Keeneland Race Course and beautiful horse farms are nearby. Lexington, one-and-a-half hours south of Cincinnati, recognizes and values the Gold Star Chili brand and tradition of Cincinnati-style chili. As 73 percent of households in Palomar include children, a Gold Star restaurant would fill the need for a popular, quick-serve, family restaurant. The new Gold Star Chili restaurant will be located at 3734 Palomar Centre Drive, Suite 100.

3.2.10 Lexington, Kentucky

Located 80 miles south of Cincinnati on Interstate Highway 75, Lexington is the second largest city in Kentucky, with a metropolitan area of 472,100 people. Home to the University of Kentucky, a research institution with an enrollment of 29,000, Lexington is also known as the “horse capital of the world,” for the Thoroughbred horse farms and racetracks in the area. The address at 350 Foreman Avenue is adjacent to the campus of the University of Kentucky, the city’s largest employer, and although there are several quick-serve restaurants close to this address, the nearest chili parlor is five miles away. Lexington recognizes and values Cincinnati-style chili, and would welcome a local Gold Star location.

3.2.11 Greendale, Indiana

Greendale, Indiana is a city of just over 4,500 inhabitants in Dearborn County, Indiana in the Southeast part of the state. Greendale is 25 miles from downtown Cincinnati, Ohio. Greendale has easy access to Interstates 74, and 275 and is located just 12 miles away from Cincinnati Northern Kentucky International Airport. Greendale offers a wide range of economic development economic assistance programs for businesses planning to locate or expand existing operations. Certain areas of the community have been established for controlled industrial growth. Greendale is served by a Skyline Chili location one mile away in Lawrenceburg, Indiana, but the nearest Gold Star Chili location, also in Lawrenceburg is 4.5 miles away. The new Greendale Indiana location of Gold Star Chili will be located at 881 East Eads Parkway.

3.3 Competition Profile

Competition falls into four categories: Skyline Chili, locally owned chili chains, locally-owned other restaurant chains, and national fast-food chains.

Cincinnati-based Skyline Chili is the biggest competitor to Gold Star. Established in 1949 by the Lambrinides brothers, and offering franchises since 1965, Skyline Chili operates and franchises 140 restaurants, offers a near-identical product and dining experience, national brand recognition and merchandising, and an equally fierce loyalty and following as Gold Star Chili. Whereas Gold Star is the official chili of the Cincinnati Bengals professional football team, Skyline is the official chili of the Cincinnati Reds professional baseball team. Cincinnati-style chili is engrained in the region's collective identity; neighborhoods are loyal to one or to the other. The price point is similar.

As Gold Star and Skyline take the lion's share of chili-parlor business, there exist lesser, locally-owned chains Dixie Chili and Empress Chili, as well as stand-alone, family-owned chili parlors competing for business neighborhood by neighborhood. The price point is similar.

Local restaurant chains Frisch's Big Boy and LaRosa's are in a third category of competitors to Gold Star. Frisch's opened Cincinnati's first year-round, drive-in restaurant in 1939, and introduced the famous double-decker Big Boy sandwich in 1946. The chain now operates and franchises 120 restaurants in the region, serving breakfast, lunch, and dinner. The price point is similar to Gold Star. LaRosa's operates and franchises 60 pizza restaurants, first opened by local celebrity Buddy LaRosa in 1954. The price point for LaRosa's is slightly higher with the sale of alcohol.

Other national fast-food chains such as McDonald's and Burger King compete for business with Gold Star Chili.

3.4 Competitors by Location

Note: Twelve of the following twenty listed locations will be chosen as GSC portfolio locations.

3.4.1 Germantown, Ohio

The following chart displays restaurants within approximately a one-mile range of 2394 Beechwood Ave. in **Germantown**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
McDonalds	Fast Food	B/L/D	Yes
Subway	Subs/ Sandwiches	B/L/D	Yes
Papa John's	Pizza	L,D	No
Super Wok	Chinese Cuisine	L,D	No
Hot Heads Burritos	Burritos	L,D	Yes

3.4.2 UC Area / Clifton, Ohio 1

The following chart displays restaurants within approximately a one-mile range of 2707 Vine Street in the area of the **University of Cincinnati / Clifton, Ohio**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Martino's On Vine	Italian	L,D	No
LaRosa's	Pizza	L,D	No
Cincy Steak and Lemonade	Sandwiches	L,D	Yes
Skyline Chili	Fast Food	L,D	Yes
Island Frydays	Jamaican	L,D	No
Domino's	Pizza	L,D	Yes
Chipotle	Burritos	L,D	Yes
Subway	Subs/ Sandwiches	B/L/D	Yes
McDonalds	Fast Food	B/L/D	Yes
Dunkin Donuts	Fast Food	B/L	No

3.4.3 UC Area / Clifton, Ohio 2

The following chart displays restaurants within approximately a one-mile range of 200 W. McMillan St. in the area of the **University of Cincinnati / Clifton, Ohio**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Martino's On Vine	Italian	L,D	No
LaRosa's	Pizza	L,D	No
Cincy Steak and Lemonade	Sandwiches	L,D	Yes
Skyline Chili	Fast Food	L,D	Yes
Island Frydays	Jamaican	L,D	No
Domino's	Pizza	L,D	Yes
Chipotle	Burritos	L,D	Yes
Subway	Subs/ Sandwiches	B/L/D	Yes
McDonalds	Fast Food	B/L/D	Yes
Dunkin Donuts	Fast Food	B/L	No

3.4.4 Downtown Cincinnati, Ohio 1

The following chart displays restaurants within approximately a one-mile range of 8 E. Fourth Street in **Downtown Cincinnati**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Quizno's	Subs/ Sandwiches	L,D	Yes
Bruegger's	Bagels/Sandwiches	L,D	Yes
Local 127	American	L,D	No
Paula's Café	American	L	No
J Gumbo	Cajun	L,D	Yes
Café De-vine	Diner	L,D	Yes
Subway	Subs/ Sandwiches	B/L/D	Yes

3.4.5 Downtown Cincinnati, Ohio 2

The following chart displays restaurants within approximately a one-mile range of 814 Plum Street in **Downtown Cincinnati**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Sung Korean Bistro	Korean	L,D	No
Izzy's	Fast Food	L,D	Yes
Diner on Elm	Diner	L,D	Yes
Plaza Cafe	Café	L,D	Yes
Yum Yum Chinese	Casual Full Service	L,D	No
Papa John's	Pizza	L,D	No
Marrakech	Mediterranean	L	Yes

3.4.6 Loveland, Ohio

The following chart displays restaurants within approximately a one-mile range of **Loveland, Ohio**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst;Lunch;Dinn	Direct Competition
<i>El Picante</i>	<i>Mexican</i>	<i>L,D</i>	<i>Maybe</i>
<i>McDonald's</i>	<i>Fast Food</i>	<i>B,L,D</i>	<i>Yes</i>
<i>The Veg Head</i>	<i>Vegetarian</i>	<i>L,D</i>	<i>No</i>
<i>LaRosa's</i>	<i>Pizza</i>	<i>L,D</i>	<i>Yes</i>
<i>Angilo's</i>	<i>Pizza</i>	<i>L,D</i>	<i>No</i>
<i>Marco's</i>	<i>Pizza</i>	<i>L,D</i>	<i>No</i>
<i>Little Shanghai</i>	<i>Asian</i>	<i>L,D</i>	<i>No</i>
<i>Hitch's II Deli</i>	<i>Deli, grill</i>	<i>L,D</i>	<i>Maybe</i>

3.4.7 Over the Rhine, Cincinnati, Ohio

The following chart displays restaurants within approximately a one-mile range of **Over the Rhine**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Senate	Pub	L,D	No
Lavomatic Café	Café	L,D	No
Venice on Vine	Pizza	L,D	No
Skyline Chili	Fast Food	L,D	Yes
Taste of Belgium	Casual Full Service	L,D	No
Bakersfield	Mexican / Southwest	L,D	No
Tuckers	Breakfast, Brunch	B,L	No

3.4.8 Florence, Kentucky

The following chart displays restaurants within approximately a one-mile range of 7649 Mall Road in **Florence**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
City Barbeque	Barbeque	L,D	Yes
Chipotle	Burritos	L,D	Yes
Asian Buffet	Asian	L,D	No
Subway	Subs / Sandwiches	B,L,D	Yes
Chuck E. Cheese's	Pizza	L,D	No
Qdoba	Sandwiches	L,D	No
Taco Bell	Fast Food	L,D	Yes
Sarku	Japanese	L,D	No

3.4.9 Palomar, Lexington, Kentucky

The following chart displays restaurants within approximately a quarter mile range of 3734 Palomar Centre Drive in **Lexington**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Malones	American	L,D	No
Panera Bread	Sandwiches	L,D	Yes
Asian Wind	Asian	L,D	No
Little Caesars	Pizza	L,D	Yes
Papa John's	Pizza	L,D	Yes
Arby's	Fast Food	L,D	Yes
Jimmy John's	Sandwiches	L,D	Yes
McDonald's	Fast Food	B,L,D	Yes
Fazoli's	Italian	L,D	No
Qdoba	Sandwiches	L,D	Yes

3.4.10 Lexington, Kentucky

The following chart displays restaurants within approximately a quarter mile range 350 Foreman Ave. in **Lexington**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst;Lunch;Dinn	Direct Competition
<i>Arby's</i>	<i>Fast Food</i>	<i>L,D</i>	<i>Yes</i>
<i>Tolly-Ho</i>	<i>Greasy Spoon</i>	<i>B,L,D</i>	<i>Yes</i>
<i>Pazzo's Pizza Pub</i>	<i>Bar</i>	<i>L,D</i>	<i>Maybe</i>
<i>Waffle House</i>	<i>24-hour breakfast</i>	<i>B,L,D</i>	<i>Maybe</i>
<i>Casanova</i>	<i>Italian restaurant</i>	<i>L,D</i>	<i>No</i>
<i>Joe Bologna's</i>	<i>Pizza</i>	<i>L,D</i>	<i>Yes</i>
<i>Thai Orchid</i>	<i>Asian</i>	<i>L,D</i>	<i>No</i>
<i>Sierra Fria</i>	<i>Mexican</i>	<i>L,D</i>	<i>Maybe</i>

3.4.11 Greendale, Indiana

The following chart displays restaurants within approximately a one-mile range of 881 East Eads Parkway in **Greendale**. It includes a sampling of all restaurants perceived to be nearby area competition for the new Gold Star Chili restaurant location.

Area Restaurants within a 1 Mile Range			
Name	Type	Brkfst; Lunch; Dinner	Direct Competition
Final Cut	Upscale American	L,D	No
Acapulco	Mexican	L,D	No
McDonald's	Fast Food	B,L,D	Yes
Burger King	Fast Food	B,L,D	Yes

4.0 Competitive and Operations Strategy

4.1 Competitive Strategy

Gold Star is a locally owned and managed chain of local-specialty chili restaurants. The chili is prepared in a central commissary, which reduces the equipment needs and labor cost at individual restaurants, and promotes product consistency, which protects the brand. Gold Star operates in a highly competitive market against other multi-location chili restaurants and national fast-food chains. Among these top competitors are McDonalds, Burger King, Pizza Hut and Kentucky Fried Chicken. Pizza Hut and Kentucky Fried Chicken are owned and operated by Yum! Brands which has its corporate head quarters just 100 miles away from Cincinnati in Louisville, Kentucky. Similar to its competitors, Gold Star offers attractive coupons and seasonal promotions. Additionally, however, Gold Star emphasizes a family-friendly price point and dining experience, and augments this with kid's club coupons and neighborhood fundraiser promotions for local schools and other organizations.

Direct customers who use Gold Star products and services include restaurant customers, franchisees, franchise applicants, retail-product customers, retail-product wholesalers, and mail-order/internet customers. Indirect customers include product and service suppliers, product co-packers, brokers/consultants, shareholders, and regulatory agencies.

Franchisees are attracted by the relatively low investment required and the opportunity to profit from the brand equity. In return, franchisees expect consistency in the chili product as well as support from corporate with advice, market feedback, and promotions. Additionally, Gold Star provides geo-demographic analysis of potential locations to ensure that a new location will not take more than 10% of business from an existing location.

Gold Star takes product orders from its locations on a daily or weekly basis, which creates good dialog between the individual restaurants and the corporate office. The Franchise Advisory Council consists of owners who meet to review business decisions that affect the chain. These council members work in committee groups to meet with corporate department heads to review marketing, purchasing, menu pricing, operations costs, and gross profit analysis. Gold Star also conducts quarterly meetings with restaurant owners, key managers, and outside suppliers to discuss operations issues affecting the chain.

4.2 Operations Strategy

Overview:

Management will establish sound operating guidelines by which to conduct the day-to-day operations for Gold Star Chili. Policies, systems, and procedures will be adopted and documented using the combined resources of RestaurantOwner.com and the previous experiences of the management team. Gold Star membership at RestaurantOwner.com provides the management team with valuable, up-to-date resources to assist in the startup and operation of Gold Star Chili. The site contains hundreds of articles, downloadable tools and other resources packed with practical insights on marketing, customer service, restaurant startup, business management, menu promotion, staffing, and more. Management will have at their disposal the expertise of thousands of other operators through a member forum.

Training:

A thorough training program will be adopted for every position in the restaurant. Highly qualified people filling those positions will be provided training materials and personal instruction. They will learn the Gold Star Chili method of how to operate a successful restaurant, including instruction in customer service, safety, and health laws, in addition to the job functions of their respective positions. Customer service will be given special emphasis throughout the operation: Research shows that only 1 in 20 restaurant customers report a problem to management. Gold Star will provide a product and a dining experience in a manner that exemplifies highly responsive and proactive customer service. Staff will receive specific training in the areas of service attitudes, customer perception, and how to deal with guest complaints. Management will conduct periodic staff meetings to review policy, increase guest satisfaction, and to maintain an open dialog between management and staff. Staff will empathetically acknowledge guest complaints and immediately refer the complaints to management. Programs will be in place to systematically deal with various types of guest complaints; more serious complaints will be documented and kept on file. Customer feedback will be accomplished by

Management Controls:

Management will practice sound management procedures to control costs, insure quality of product, and provide friendly customer service. Management will use the following systems:

POS System:

Careful evaluation will be used in the selection of a POS (point of sale) system that best meets the needs of the location. The POS system will be configured with requisition printing, a process which forces food and beverage items to be registered in the system before the items can be prepared. Requisition printing has proven to reduce costs by as much as 3-5%. The POS system will also be the control center to regulate the flow of service and item preparation. Built-in cash controls will help in tracking sales and receipts.

Order Guide, Daily Inventory, and Weekly Inventory:

The restaurant will use an item-specific order guide to track order history and maintain designated levels of product in inventory. Daily inventory will be taken on specific items; movement will be compared to sales data to ensure products are properly accounted for. Weekly inventory will determine valuation for use in preparation of weekly profit and loss reports.

Cash Audits:

Management will conduct periodic cash audits for all cashier stations. Surprise shift audits are an effective tool to determine cashier under ringing.

Video Surveillance: Video surveillance will be in place to monitor activities and deter crime.

Mystery Shopper. The restaurant will engage the service of a secret shopper service from time to time. The mystery (secret) shopper is an effective tool to get a customer's perspective of the average guest experience. Feedback will help management to constantly improve customer service.

Time, Attendance, and Scheduling Systems:

The restaurant will use an automated time and attendance system. Management will evaluate systems that are integrated into the POS system as well as stand alone time clock systems; hourly labor cost control and the ability to transfer information to Gold Star payroll processing will be key factors in system selection. Management will adopt a scheduling system that expedites the preparation of schedules, reflects anticipated labor budgets, and helps to regulate labor cost.

Operations Checklists:

The restaurant will be managed with consistent use of various checklists that maintain quality control and ensure that established procedures are followed. Checklists will be used for customer service, purchasing, receiving, and storage, preparation, cleaning, shift changes, openings, and closings.

Safety and Liability Reviews:

Periodic safety and liability assessments ensure that employees and customers are not exposed to dangerous or harmful conditions, or actions by others. Alcohol awareness, employee relations, and guest treatment will be reviewed.

Daily Cash Control:

Sales and receipts recorded by the POS system will be compared to actual cash and credit card deposits on a daily basis. Acceptable over/short amounts will be limited to \$5.00 per day. Discrepancies greater than \$5.00 will prompt management to conduct an immediate audit to account for the difference. Monthly totals will be compared to actual P&L statements for accuracy.

Cash, debit card and credit card receipts will be deposited in a deposit account that is kept separate from the general operating account. Transfers to the general operating account will be made as necessary. Separation of the two accounts is intended to aid in account reconciliation and cash flow management.

Weekly Prime Cost Report:

The bookkeeper will prepare a weekly report that shows the gross profit margin after cost of goods sold and labor cost has been deducted from the sales revenue. The prime cost for this type of restaurant is expected to range from 64% to 68%. Proper control of the prime cost is the single most effective measure of management's ability to operate the restaurant. Weekly monitoring allows for quick reaction to adverse cost ratios.

Purchasing Records/Payables:

The bookkeeper will process and record invoices and credits daily. Reports detailing cash expenditures, payments by check, and accounts payable transactions will be readily available. Check disbursements will be prepared by bookkeeper. Check signing authority for the general operating account will be given to General Manager.

Accounting System/Service:

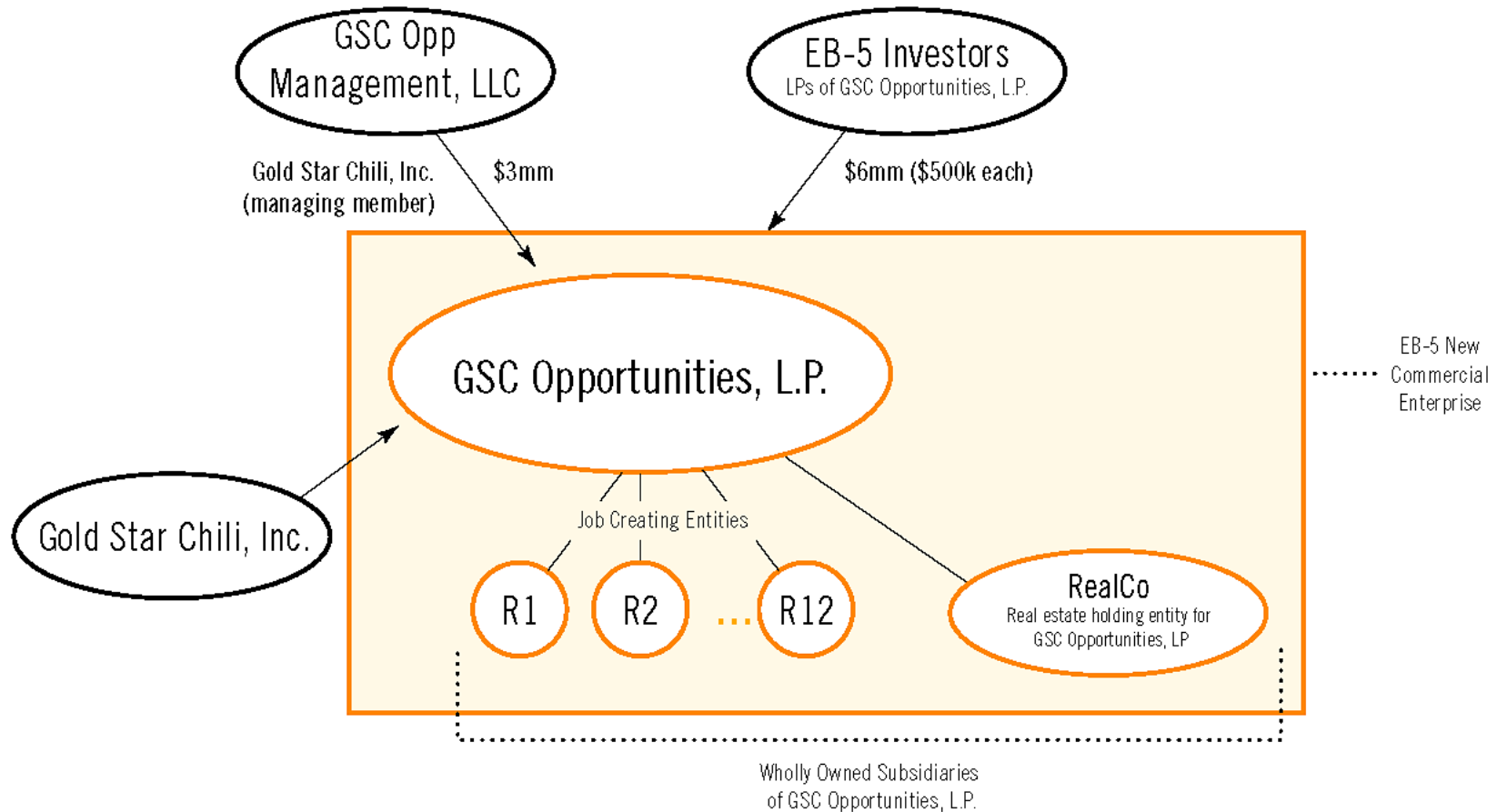
Management will be responsible for the timely preparation of monthly financial statements, including monthly Profit & Loss and Balance sheet. To accomplish this task Gold Star Chili will contract with a Certified Public Accountant.

Payroll Processing:

Payroll checks will be issued bi-weekly. The designated manager will run reports from the time and attendance system, make necessary adjustments, and prepare for transfer to the payroll system. Payroll will be processed by payroll processing service.

5.0 Organizational Structure and Personnel

5.1 Organizational Structure



5.2 Management Team, Consultants and Key Collaborators

5.2.1 EB-5 Management Team

Terry Chan

President, Midwest EB-5 Regional Center (MERC)

Terry Chan is president and one of the founders of MERC. Chan is responsible for guiding the team in selection and structuring of projects, selection of investment partners, and overall operations.

While ramping up operations at MERC, Chan was also one of the core team members at CincyTech USA, a public-private partnership whose mission is to provide services for high-growth startup technology companies in Southwest Ohio. CincyTech does this through management assistance, seed-capital investments and connections to partners who share a common mission. In his capacity at CincyTech, Chan was part of a team that has driven over \$10 million in 30 companies and syndicated over \$100 million. Those 30 companies have created over 200 direct jobs and over 500 indirect and induced jobs from the \$10 million invested. Terry Chan brings his job-creation expertise to the project, where he is responsible for tenant selection and managing job creation.

Prior to arriving in Cincinnati, Chan was a manager in the commercial finance and information technology divisions at General Electric. In that role, he was responsible for working with the commercial teams to maximize margins across a diverse product portfolio. Chan received his master's and bachelor's degrees in finance and information systems management from Carnegie Mellon University, and attended high school at the Hong Kong International School.

Martin Lawler

Lead Immigration Counsel

Martin J. Lawler is a California immigration lawyer with over thirty years experience. He is the author of *Professionals: A Matter of Degree*, a treatise on business visas and permanent residence. The Wall Street Journal published two of Martin's opinion-page articles in 2007. Lawler was a guest speaker on National Public Radio's Science Friday program about visas for scientists, and has spoken at universities including Harvard, Stanford, San Jose State, and San Francisco State. He is a regular speaker at AILA conferences, including the EB-5 Investor Visa conference. Lawler also lectured at the American Law Institute, the San Francisco Bar Association, and Innovation Norway, among other venues. Lawler chaired the AILA's H-1B visa committee and is a member of AILA's EB-5 Investor Committee 2008–2010. Lawler is the recipient of the AILA Jack Wasserman Memorial Award for excellence in immigration litigation. He is Martindale-Hubbell A rated and listed in Best Lawyers in America, the Bar Register of Preeminent Lawyers, and San Francisco Magazine's Super Lawyers. With over 75 approval cases and a 100% success rate, Lawler is a nationally recognized expert in the area of EB-5 immigration law.

Allen Chi

Chief Executive Officer, Mason Investment Group

Allen oversees the operations of Mason and is also responsible for regional center relationships. Allen was formerly a Partner at Celerity Partners, a private equity firm, where he oversaw an investment portfolio valued at \$1 billion, developing a personal investment track record with a 65% annual rate of return. Prior to Celerity, Allen helped lead the turnaround of Merisel, a \$6 Billion technology company, where the stock price returned 800% during his tenure. Allen started his career at Bain & Company and is a graduate of Stanford University.

5.2.2 GSC Opportunities Operational Management Team

Mike Rohrkemper

Chief Executive Officer, Gold Star Chili

Mike Rohrkemper, CPA, was appointed Chief Executive Officer of Gold Star Chili, Inc. in 2008. Rohrkemper joined Gold Star from Kemper and Brown Business Consultants, where he provided management counsel for a variety of clients, including Gold Star Chili. Rohrkemper brings more than 30 years of senior-level experience to Gold Star Chili. His background in finance and management includes CFO and directorship positions from 1993 to 2005 at Pomeroy IT Solutions Inc., and a partnership in the Cincinnati accounting firm of Rohrkemper Ossege & Combs Ltd. from 1991 through 2001.

With the appointment of Rohrkemper, Gold Star, with an objective to invest in building brand awareness, also hired a marketing director to help expand deeper into the greater Cincinnati market, while also improving per-store performance. Additionally, Rohrkemper facilitated the diversification of the Gold Star portfolio, including real estate. Gold Star now owns a number of its franchised locations, and invests in strip centers anchored by Gold Star restaurants, and includes other spaces that it leases to other businesses.

Mike Mason

Vice President, Operations and Franchise Development, Gold Star Chili

Mike Mason has served as the Vice President of Operations and Franchise Development since 1991, and oversees franchisee consulting and training, company store financials, quality assurance, and new product testing. Prior experience includes brand supervisor for GZK, the Dayton, Ohio, franchisee for Lee's Famous Recipe Chicken and Arby's Restaurants; district supervisor for Hardee's Food Systems Inc.; and co-founder of Video Ventures.

Charlie Howard

Vice President, Marketing and Brand Development, Gold Star Chili

Charlie Howard has been Vice President of Marketing and Brand Development since 2008. He is responsible for the planning, development, and implementation of all of Gold Star's marketing strategies, marketing communications, and public relations. He directs the efforts of outside advertising and public relations agencies, and

coordinates the strategic and tactical planning and execution of promotional programs with the company's franchise community. Prior to Gold Star, Mr. Howard was the Senior Director of Marketing and Communications, Cincinnati Museum Center. Mr. Howard has 25 years of consumer, business-to-business, and non-profit branding, marketing communication, and marketing management experience with J. Malsh & Company, Didday & Branch, and Clopay Corporation.

Jacquelyn Chan

Director, Allure Restaurant Group- Subsidiary of Midwest EB-5 Regional Center

A native of Pittsburgh, Pennsylvania, Jacquelyn Chan holds a Bachelor's degree in Business and Marketing from the University of Cincinnati. Chan brings extensive restaurant experience, relationships with local business and community leaders, and work in community development. Since 2011, Chan has served as director of retail for Midwest EB-5 Regional Center. From 2008 to 2011, Chan served as development director at the Vine Street Urban Redevelopment Corporation (VCURC), a corporation funded by the University of Cincinnati to revitalize the university's neighboring Corryville community. During that time she also served as a member in the University Village Business Association, where she applied for and received \$150,000 from the City of Cincinnati to aid the redevelopment of Corryville. From 2001-2011, Chan managed Martino's on Vine restaurant in Cincinnati.

6.0 Staffing and Job Creation

6.1 Single Restaurant Staffing Projection

Gold Star Chili is expected to hire for 13 full time positions at each restaurant location. A full time position is defined as a minimum of 35 hours per working week with benefits. Some full time positions will be subject to job sharing arrangements. Each employee will sign a document noting their understanding of the job sharing arrangement and will be eligible for benefits. Management has adopted an effective interview process designed to staff the restaurant with highly qualified people for each position. Each applicant will be rated and evaluated according to a pre-defined set of standards adopted for each position. Management will run criminal background checks on all applicants to ensure the hiring of the highest quality employees.

Recruiting efforts will include placing ads in the local paper, online job forums, and similar outlets; signage will be placed at the jobsites. Priority will be given to applicants referred or actively recruited by management—applicants previously employed by management and personally known to them. Management may use recruiting agencies to fill managers' and other salaried positions, or in the case of long-term unfilled crewmember positions.

Expected staffing levels for both full- and part-time positions are shown in the following table:

Position	# Full Time Positions	# Part Time Positions	Pay Rate
General Manager	1	0	\$45,000/year
Crew Leaders	1	0	\$12.50 / hour
Steam Table Operator	2	0	\$12.50/hour
Prep Cooks / Bussers	2	1	\$8.00/hour
Dishwashers	0	2	\$7.85 / hour
Servers	6	0	\$3.93/hour
Cashiers	1	1	\$8.50/hour
Total	13	4	

6.2.1 Job Descriptions

General Manager: Oversees all operations of the restaurant location, based on reports from the corporate office, and from the assistant manager. All supplies, HR concerns, financial tracking/budgeting, general building maintenance, and operations related to food preparation are in the purview of the general manager.

Crew Leader: Coordinates restaurant employees and operations related to food preparation and customer service.

Steam Table Operator: Serves as the kitchen crew leader. Cooks and assembles orders for servers. Maintains an orderly and sanitary work environment in the food production area.

Prep Cook / Busser: Prepares food for the steam table operators. Manages food inventory. Busses tables, sets tables, cleans dining area, and supports servers. Maintains an orderly and sanitary work environment in the food production area.

Dishwasher: Washes dishes, pots, and pans. Cleans the kitchen and dining areas. Stocks dry goods and non-food supplies.

Server: Takes orders and serves customers tableside.

Cashier: Fills carryout orders; handles payment for carryout and dine-in customers.

6.3 Job Creation Phasing and Hiring Timelines

<u>Timeframe</u>	<u>Positions Hired</u>
2 months before opening	management / salaried employees
2-4 weeks before opening	servers, prep cooks
1-2 weeks before opening	dishwashers, and cashiers

Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Restaurant 1	0	4	9	4	-	-	-	-	-	-	-	-	-	-	-	-
Restaurant 2	0	4	9	4	-	-	-	-	-	-	-	-	-	-	-	-
Restaurant 3	0	4	9	4	-	-	-	-	-	-	-	-	-	-	-	-
Restaurant 4	-	-	-	-	0	4	9	4	-	-	-	-	-	-	-	-
Restaurant 5	-	-	-	-	0	4	9	4	-	-	-	-	-	-	-	-
Restaurant 6	-	-	-	-	0	4	9	4	-	-	-	-	-	-	-	-
Restaurant 7	-	-	-	-	-	-	-	-	0	4	9	4	-	-	-	-
Restaurant 8	-	-	-	-	-	-	-	-	0	4	9	4	-	-	-	-
Restaurant 9	-	-	-	-	-	-	-	-	0	4	9	4	-	-	-	-
Restaurant 10	-	-	-	-	-	-	-	-	-	-	-	-	0	4	9	4
Restaurant 11	-	-	-	-	-	-	-	-	-	-	-	-	0	4	9	4
Restaurant 12	-	-	-	-	-	-	-	-	-	-	-	-	0	4	9	4
Month Total	0	12	27	12	0	12	27	12	0	12	27	12	0	12	27	12
Aggregate Total	0	12	39	51	51	63	90	102	102	114	141	153	153	165	192	204
# Full Time Positions	0	12	36	39	39	51	75	78	78	90	114	117	117	129	153	156

7.0 Exit Strategy

7.1 Expansion Plans

Gold Star Chili's appealing menu, comfortable atmosphere and reasonable prices will position the concept for broad customer appeal in a wide range of markets.

The operating partner(s) will focus first and foremost on developing this concept to achieve a successful return on investment without the need for expansion. Because of its broad appeal, however, the concept does lend itself to expansion opportunities. The comprehensive approach taken in the creation of the business philosophy, systems, and controls will enhance the ability to expand the concept: Gold Star Chili Inc., may seek in the future to create additional Limited Partnerships and/or add-on phases to GSC Opportunities, L.P., to facilitate expansion of the number of Gold Star locations.

7.2 Investor Exit Options

GSC Opportunities, L.P. (see Sec. 5.1) will seek to return capital to the investor Limited Partners after the later of 3 years or once their I-829 applications have been approved by USCIS. At that point, GSC Opp Management as the general partner of GSC Opportunities, LLC will take commercially reasonable steps towards valuing and selling Real Co. After 18 months the limited partners of GSC Opportunities can compel the general partner to liquidate RealCo. The limited partners get 100% of liquidated RealCo proceeds up to their initial investment less any amount that has been repaid through distributions etc. Capital returned to investors will be sourced from GSC Opportunities, L.P.'s share of distributable cash flow (see sec. 8.4) and also from equity value of real property held in RealCo. GSC Opportunities, L.P. does not however guarantee the return of any investor's capital in part or in full. GSC Opp Management, LLC as the General Partner of the GSC Opportunities will retain ownership and management interest respectively at rates and in capacities governed by the Operating Agreements until they so choose to act upon their right to exit, pursuant to the same agreements.

8.0 Financials

Financial projections for GSC Opportunities, L.P. have been created as a result of collaboration between the members of GSC Opp Management, LLC based on their experience and on national industry averages, trends and other statistics. Capital contributions required for the restaurant will come from EB-5 immigrant investors as well as Gold Star Chili, Inc. The amount required from each of these investment roles, as shown in Capitalization (Section 1.3), is dependent upon the successful acquisition of funds from each of the listed sources. The funds will be used to fulfill the projected capital budget requirements as explained in the Single Restaurant Financial Projections (Sec. 8.2). Adjustments to the amount of funds needed by each source may be necessary in the event of unforeseen circumstances. Allowances for that possibility have been addressed in the operating agreements between the two entities.

8.1 Industry Trends

National Numeric Industry Standards: The following table shows industry-standard benchmarks against which we have measured the projected financial requirements and performance of the Gold Star Chili restaurants. Metrics and other industry information for key competitors can be found in Appendix 5.

<u>Metric</u>	<u>Benchmark</u>	<u>Range (+/-)</u>	Gold Star Chili Financial Projections
<u>Space/Capacity</u>			
FOH / Seat (Sq. Ft.)	15	5	13.5
Seat Turnover / Day	2	0.5	2.11
Kitchen Sq. Ft. (%)	30	-	30%
Total Sq. Ft.	3,000	1,500	2,250
<u>Employment (FTE)</u>			
FTE/ 100 Seats	18	2	16.4
FTE / 100 Daily Covers	9	1	7.8
<u>Sales (\$)</u>			
Year Sales/ Sq. Ft.	350	100	422
Year Sales/ Seat	10,000	2,000	8,193
Avg. Year Sales / Employee	46,000	-	50,000
Median Year Sales / FTE	63,000		50,000
Avg. Rev / Year	600,000	-	950,000
% Carryout	50	20	46
<u>Cost (%)</u>			
Prime Cost (Payroll + COGS)	60	5	65.7
Payroll Cost	30	5	37.7
COGS	30	5	28
Rent	8	2	9.3
Marketing	2	1	4

Sources:

National Restaurant Association 2009/2010 Restaurant Industry Operations Report

“IBISWorld Industry Report 72221 Fast Food Restaurants in the US,” (April 2010).

RestaurantOwner.Com Industry Surveys- How Much Does it Cost to Open a Restaurant?, (Accessed 11/27/12)

8.2 Profit and Loss Projections

8.2.1 Single Restaurant Sample Year-1 Summary P&L Projections

Gold Star Chili
Annual Operating Projection - Summary
First Full Year of Operations

	MONTHLY AVE		ANNUAL	
Sales:				
Food/Bev	\$ 62,299	100.0%	\$ 747,584	100.0%
TOTAL SALES	62,299	100.0%	747,584	100.0%
Cost of Sales:				
Food/Bev	17,444	28.0%	209,324	28.0%
TOTAL COST OF SALES	17,444	28.0%	209,324	28.0%
Gross Profit	44,855	72.0%	538,261	72.0%
Payroll:				
Salaries & Wages	18,616	29.9%	223,394	29.9%
Payroll Taxes	1,820	2.9%	21,841	2.9%
TOTAL PAYROLL	20,436	32.8%	245,235	32.8%
PRIME COST	37,880	60.8%	454,558	60.8%
Controllable Costs				
Direct Operating Expenses	2,754	4.4%	33,050	4.4%
Marketing	2,500	4.0%	30,000	4.0%
Utilities	1,850	3.0%	22,200	3.0%
General & Administrative Expenses	556	0.9%	6,675	0.9%
Repairs & Maintenance	250	0.4%	3,000	0.4%
TOTAL CONTROLLABLE COSTS	7,910	12.7%	94,925	12.7%
Non-Controllable Costs				
Occupancy Costs	4,125	6.6%	49,500	6.6%
Royalties	3,115	5.0%	37,379	5.0%
TOTAL NON-CONTROLLABLE COSTS	7,240	11.6%	86,879	11.6%
NET INCOME (EBITDA)	9,268	14.9%	111,221	14.9%
Preferred Distribution	1,363.64	2.2%	16,363.64	2.2%
Depreciation and Amortization	1,398.27	2.2%	16,779.20	2.2%
NET INCOME BEFORE INCOME TAXES	6,507	10.4%	78,078	10.4%
ADD BACK:				
Occupancy Costs	0	0.0%	0	0.0%
ADD BACK:				
Depreciation and Amortization	1,398	2.2%	16,779	2.2%
CASH FLOW BEFORE INCOME TAXES	7,905	12.7%	94,858	12.7%
Distributions-				
Limited Partners	5,059	8.1%	60,709	8.1%
General Partner	1,265	2.0%	15,177	2.0%
TOTAL DISTRIBUTIONS	6,324	10.2%	75,886	10.2%
Taxes	553	0.9%	6,640	0.9%
RETAINED EARNINGS	1,028	1.6%	12,331	1.6%
KEY RATIOS:				
Sales Per Square Foot			\$332	
Sales Per Seat			\$6,445	
Sales to Investment			1.0	

8.2.2 Single Restaurant Sample 5-year P&L Projection

Gold Star Chili
5 Year Operating Projections

	Year 1		Year 2		Year 3		Year 4		Year 5	
Sales:										
Food/Bev	\$ 747,584	100.0%	\$ 762,536	100.0%	\$ 777,787	100.0%	\$ 793,342	100.0%	\$ 809,209	100.0%
TOTAL SALES	747,584	100.0%	762,536	100.0%	777,787	100.0%	793,342	100.0%	809,209	100.0%
Cost of Sales:										
Food/Bev	\$ 209,324	28.0%	213,510	28.0%	217,780	28.0%	222,136	28.0%	226,579	28.0%
TOTAL COST OF SALES	209,324	28.0%	213,510	28.0%	217,780	28.0%	222,136	28.0%	226,579	28.0%
Gross Profit	538,261	72.0%	549,026	72.0%	560,006	72.0%	571,207	72.0%	582,631	72.0%
Payroll:										
Salaries & Wages	\$ 223,394	29.9%	227,861	29.9%	232,419	29.9%	237,067	29.9%	241,808	29.9%
Payroll Taxes	\$ 21,841	2.9%	22,278	2.9%	22,724	2.9%	23,178	2.9%	23,642	2.9%
TOTAL PAYROLL	245,235	32.8%	250,139	32.8%	255,142	32.8%	260,245	32.8%	265,450	32.8%
PRIME COST	454,558	60.8%	463,649	60.8%	472,922	60.8%	482,381	60.8%	492,028	60.8%
Controllable Costs										
Direct Operating Expenses	\$ 33,050	4.4%	33,546	4.4%	34,049	4.4%	34,560	4.4%	35,079	4.3%
Marketing	\$ 30,000	4.0%	30,450	4.0%	30,907	4.0%	31,370	4.0%	31,841	3.9%
Utilities	\$ 22,200	3.0%	22,533	3.0%	22,871	2.9%	23,214	2.9%	23,562	2.9%
General & Administrative Expenses	\$ 6,675	0.9%	6,775	0.9%	6,877	0.9%	6,980	0.9%	7,085	0.9%
Repairs & Maintenance	\$ 3,000	0.4%	3,045	0.4%	3,091	0.4%	3,137	0.4%	3,184	0.4%
TOTAL CONTROLLABLE COSTS	\$ 94,925	12.7%	96,349	12.6%	97,795	12.6%	99,261	12.5%	100,750	12.5%
Non-Controllable Costs										
Occupancy Costs	\$ 49,500	6.6%	50,243	6.6%	50,996	6.6%	51,761	6.5%	52,537	6.5%
Royalties	\$ 37,379	5.0%	38,127	5.0%	38,889	5.0%	39,667	5.0%	40,460	5.0%
TOTAL NON-CONTROLLABLE COSTS	\$ 86,879	11.6%	\$ 88,369	11.6%	\$ 89,885	11.6%	\$ 91,428	11.5%	\$ 92,998	11.5%
NET INCOME (EBITDA)	111,221	14.9%	114,168	15.0%	117,184	15.1%	120,272	15.2%	123,432	15.3%
Preferred Distribution	\$ 16,364	2.2%	16,364	2.1%	16,364	2.1%	16,364	2.1%	16,364	2.0%
Depreciation and Amortization	\$ 16,779	2.2%	16,779	2.2%	16,779	2.2%	16,779	2.1%	16,779	2.1%
NET INCOME BEFORE INCOME TAXES	\$ 78,078	10.4%	\$ 81,025	10.6%	\$ 84,041	10.8%	\$ 87,129	11.0%	\$ 90,290	11.2%
ADD BACK:										
Occupancy Costs	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
ADD BACK:										
Depreciation and Amortization	16,779	2.2%	16,779	2.2%	16,779	2.2%	16,779	2.1%	16,779	2.1%
CASH FLOW BEFORE INCOME TAXES	\$ 94,858	12.7%	\$ 97,804	12.8%	\$ 100,821	13.0%	\$ 103,908	13.1%	\$ 107,069	13.2%
Distributions-										
Limited Partners	60,709	8.1%	62,595	8.2%	64,525	8.3%	66,501	8.4%	68,524	8.5%
General Partner	15,177	2.0%	15,649	2.1%	16,131	2.1%	16,625	2.1%	17,131	2.1%
TOTAL DISTRIBUTIONS	75,886	10.2%	78,243	10.3%	80,656	10.4%	83,127	10.5%	85,655	10.6%
Taxes	6,640	0.9%	6,846	0.9%	7,057	0.9%	7,274	0.9%	7,495	0.9%
RETAINED EARNINGS	12,331.50	1.6%	12,714.55	1.7%	13,106.67	1.7%	13,508.06	1.7%	\$ 13,919	1.7%

8.2.3 GSC Opportunities, L.P. Comprehensive 5-year Operating Projection

GSC Opportunities, L.P.
5- Year Comprehensive Operating Projections

	Year 1		Year 2		Year 3		Year 4		Year 5	
Sales:										
Food/Bev	\$ 2,242,752	100.0%	\$ 8,223,424	100.0%	\$ 9,105,573	100.0%	\$ 9,287,685	100.0%	\$ 9,473,438	100.0%
TOTAL SALES	2,242,752	100.0%	8,223,424	100.0%	9,105,573	100.0%	9,287,685	100.0%	9,473,438	100.0%
Cost of Sales:										
Food/Bev	\$ 627,972	28.0%	\$ 2,302,563	28.0%	\$ 2,549,562	28.0%	\$ 2,600,552	28.0%	\$ 2,652,563	28.0%
TOTAL COST OF SALES	627,972	28.0%	2,302,563	28.0%	2,549,562	28.0%	2,600,552	28.0%	2,652,563	28.0%
Gross Profit	1,614,780	72.0%	5,920,861	72.0%	6,556,011	72.0%	6,687,133	72.0%	6,820,876	72.0%
Payroll:										
Salaries & Wages	\$ 670,182	29.9%	\$ 2,457,334	29.9%	\$ 2,720,939	29.9%	\$ 2,775,358	29.9%	\$ 2,830,865	29.9%
Payroll Taxes	\$ 65,523	2.9%	\$ 240,251	2.9%	\$ 266,023	2.9%	\$ 271,344	2.9%	\$ 276,771	2.9%
TOTAL PAYROLL	735,705	32.8%	2,697,585	32.8%	2,986,962	32.8%	3,046,702	32.8%	3,107,636	32.8%
PRIME COST	1,363,677	60.8%	5,000,148	60.8%	5,536,524	60.8%	5,647,253	60.8%	5,760,198	60.8%
Controllable Costs										
Direct Operating Expenses	\$ 99,150	4.4%	\$ 363,550	4.4%	\$ 401,062	4.4%	\$ 407,078	4.4%	\$ 413,184	4.4%
Marketing	\$ 90,000	4.0%	\$ 330,000	4.0%	\$ 364,050	4.0%	\$ 369,511	4.0%	\$ 375,053	4.0%
Utilities	\$ 66,600	3.0%	\$ 244,200	3.0%	\$ 269,397	3.0%	\$ 273,438	2.9%	\$ 277,540	2.9%
General & Administrative Expenses	\$ 20,025	0.9%	\$ 73,425	0.9%	\$ 81,001	0.9%	\$ 82,216	0.9%	\$ 83,449	0.9%
Repairs & Maintenance	\$ 9,000	0.4%	\$ 33,000	0.4%	\$ 36,405	0.4%	\$ 36,951	0.4%	\$ 37,505	0.4%
TOTAL CONTROLLABLE COSTS	\$ 284,775	12.7%	1,044,175	12.7%	1,151,915	12.7%	1,169,194	12.6%	1,186,732	12.5%
Non-Controllable Costs										
Occupancy Costs	\$ 148,500	6.6%	\$ 544,500	6.6%	\$ 600,683	6.6%	\$ 609,693	6.6%	\$ 618,838	6.5%
Royalties	\$ 112,137	5.0%	\$ 411,169	5.0%	\$ 455,278	5.0%	\$ 464,384	5.0%	\$ 473,672	5.0%
TOTAL NON-CONTROLLABLE COSTS	\$ 260,637	11.6%	\$ 955,669	11.6%	\$ 1,055,961	11.6%	\$ 1,074,077	11.6%	\$ 1,092,510	11.5%
NET INCOME (EBITDA)	333,663	14.9%	1,223,432	14.9%	1,361,173	14.9%	1,397,161	15.0%	1,433,998	15.1%
Preferred Distribution	\$ 49,092	2.2%	\$ 180,004	2.2%	\$ 196,368	2.2%	\$ 196,368	2.1%	\$ 196,368	2.1%
Depreciation and Amortization	\$ 56,982	2.5%	\$ 208,934	2.5%	\$ 227,928	2.5%	\$ 227,928	2.5%	\$ 227,928	2.4%
NET INCOME BEFORE INCOME TAXES	\$ 227,589	10.1%	\$ 834,494	10.1%	\$ 936,877	10.3%	\$ 972,865	10.5%	\$ 1,009,702	10.7%
ADD BACK:										
Occupancy Costs	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
ADD BACK:										
Depreciation and Amortization	\$ 56,982	2.5%	\$ 208,934	2.5%	\$ 227,928	2.5%	\$ 227,928	2.5%	\$ 208,934	2.2%
CASH FLOW BEFORE INCOME TAXES	\$ 284,571	12.7%	\$ 1,043,428	12.7%	\$ 1,164,805	12.8%	\$ 1,200,793	12.9%	\$ 1,218,636	12.9%
Distributions-										
Limited Partners	\$ 182,125	8.1%	\$ 667,793	8.1%	\$ 745,476	8.2%	\$ 768,507	8.3%	\$ 779,927	8.2%
General Partner	\$ 45,531	2.0%	\$ 166,948	2.0%	\$ 186,369	2.0%	\$ 192,127	2.1%	\$ 194,982	2.1%
TOTAL DISTRIBUTIONS	\$ 227,657	10.2%	\$ 834,742	10.2%	\$ 931,844	10.2%	\$ 960,634	10.3%	\$ 974,909	10.3%
Taxes	19,920	0.9%	73,040	0.0%	81,536	0.0%	84,055	0.0%	85,305	0.0%
RETAINED EARNINGS	36,994.23	1.6%	135,646.45	1.6%	151,424.71	1.7%	156,103.06	1.7%	\$ 158,423	1.7%

8.3 Capital Budgets

8.3.1 Comprehensive Project Capital Budget

	Non- EB-5	EB-5	Total
Real Estate & Construction	1,410,000	4,000,000	5,410,000
FF&E	816,000	695,000	1,511,000
Professional Services	600,000	144,000	744,000
Organizational & Development	84,000	684,000	768,000
Pre-Opening Expenses	90,000	162,000	252,000
Working Capital & Contingency	0	315,000	315,000
Total	3,000,000	6,000,000	9,000,000

EB-5 funds will be held in escrow pending the investors' I-526 approvals as described in the offering memorandum. Non-EB-5 funds will be used for the initial phases prior to the release of EB-5 funds from escrow. Uses include land and building, professional services and other soft costs. Actual amounts will vary depending on USCIS adjudication timelines.

8.3.2 Single Restaurant Sample Capital Budget

Gold Star Chili Capital Budget		Cost Classification used to calculate depreciation & amortization.						
	TOTAL COST	Detail	Classification					
			Building	Leasehold	Equipment	Start Up	Expense	Non-Ded.
REAL ESTATE & CONSTRUCTION	450,833							
Land & Building		282,500						282,500
Construction Contract		168,333	168,333					
FURNITURE, FIXTURES & EQUIPMENT (FF&E)	125,917			125,917				
Interior Finishes & Equipment -	106,417							
Kitchen Equipment		57,917						
Dining Room Furniture		20,000						
Kitchen Smallwares		3,000				3,000		
Security System		1,500			1,500			
Music/Sound/Audio-Visual Systems		3,000			3,000			
Cash Register / Point of Sale		15,000			15,000			
Phone System		500			500			
Office Equipment / Computer		2,000			2,000			
Office Supplies		1,500					1,500	
Interior Signs		2,000			2,000			
Exterior Finishes & Equipment -	19,500			19,500				
Landscaping		1,500		0				
Exterior Signs & Decorations		15,000						
Parking Lot		3,000						
PROFESSIONAL SERVICES	62,000			62,000				
Architect & Engineering		6,000						
Legal (lease & incorporation)		5,000						
Project Consultant		50,000						
Accounting & Tax		1,000						
ORGANIZATIONAL & DEVELOPMENT	64,000							
Management Fee		50,000						50,000
Deposits (utilities, sales tax, etc.)		3,000						3,000
Insurance Binder (property, casualty, liability)		1,500					1,500	
Building Permits		2,500		2,500				
Other Licenses & Permits		1,000		1,000				
Utility Deposits (gas, electric, water)		2,500						2,500
Change, Operating Banks & Petty Cash		2,500						2,500
Menus / Menu Boards		1,000					1,000	
PRE-OPENING EXPENSES	21,000					21,000		
Construction Period Utilities		2,000						
Uniforms		2,000						
Opening Inventories -								
Food		3,000						
Paper & Other Supplies		1,500						
Marketing -								
Advertising		4,000						
Opening Parties		1,000						
Personnel -								
Training		7,500						
CONTINGENCY	26,250	26,250		26,250				
TOTAL PROJECT COST	\$ 750,000		\$ 168,333	\$ 237,167	\$ 24,000	\$ 26,500	\$ 1,500	\$ 340,500
			Building	Leasehold	Equipment	Start Up	Expense	Non-Ded.
Project Cost Per Square Foot	\$333							
Project Cost Per Seat	\$6,466							

8.4 ROI and Equity Analysis

Investor	Amount of Contribution	Expected ROI on Original Investment
Until Investor Capital is Returned*		
GSC Opportunities, L.P.	\$6 Million	80% of cash distributions
Gold Star Chili, Inc.	\$3 Million	20% of cash distributions
After Investor Capital is Returned*		
GSC Opportunities, L.P.	\$6 Million	20% of cash distributions
Gold Star Chili, Inc.	\$3 Million	80% of cash distributions

These tables suggest the anticipated ROI. They are intended to be a summary only. Please refer to the Offering Documents for clarification of equity and cash distributions.

*While GSC Opportunities, L.P. intends and will seek to return the capital of its limited partners, no return of capital or other return on investment is guaranteed.

8.5 Funds Disbursement and Controls

All funds will be invested in the New Commercial Enterprise (NCE), which is GSC Opportunities, L.P. for disbursement to its wholly owned subsidiary Job Creating Entities (JCEs). As the General Partner of GSC Opportunities, L.P. GSC Opp Management, LLC with Gold Star Chili, Inc. as its managing member will oversee and control the disbursement of funds from the NCE to the JCEs on a monthly basis once invested funds have been released from escrow. A draw process has been established and all relevant checklists and forms will be provided to the JCEs to facilitate the implementation of the draw process and timely disbursement of funds.

Each draw request shall include a master budget, updated investment plan, and hiring summary. In addition each draw submitted by a JCE must be accompanied by documentation that verifies expenditures proposed in the draw. For example if construction or renovation monies are included in the draw, relevant contracts, bids, and permits will be furnished by the JCE. If monies are marked for operational or working capital expenditures, these intended expenditures will be required to be similarly documented as applicable. Upon submission of the subsequent draw request, receipts, invoices, bank statements, and a summary of all activity related to the prior draw request will be required.

Draw requests will be submitted to GSC Opp Management. The management team consisting of representatives of various project stakeholders will have the authority to approve draw requests and thus approve the disbursement of funds from the L.P. to the JCEs. A copy of the draw process checklist is available in Appendix 6.

Appendices

Appendix 1: Targeted Employment Areas

(pending approval)

Appendix 2: Sample Menu

Veggie Chili & Fresh Salads

Veggie Chili Meatless chili loaded with healthy veggies and a flavor that's uniquely Gold Star.

♥ **Bowl of Veggie Chili**
♥ **Veggie Chili 2-Way**
♥ **Veggie Chili 3-Way**

■ **South of the Border Chili Salad** Your choice of our Tex-Mex, Original or Veggie chili served on a bed of crisp lettuce and tortilla chips, then topped with fresh tomatoes, grated cheddar cheese, black olives and sour cream.

♥ **Spring Harvest Salad** Mixed greens, mandarin oranges, Craisins®, diced tomatoes, french fried onions, cheddar cheese and our recommended raspberry vinaigrette. Add grilled or crispy chicken.

♥ **Café Salad** Mixed greens, tomatoes, olives, croutons, grated cheddar cheese and your choice of our premium dressings. Add grilled or crispy chicken. Half portion of entree Café salad.

♥ **Club Salad** Crisp mixed greens topped with ham, turkey and bacon from Blue Grass Quality Meats, fresh tomatoes, black olives, croutons and grated mild cheddar cheese.

Gold Star proudly serves the following Marzetti® dressings:
• Ranch • Lite Ranch • Italian • Lite French • Blue Cheese • Lite Raspberry Vinaigrette

Burritos & Tex-Mex

■ **Burritos & Burrito Bowls** All of our Burritos & Burrito Bowls are handmade to order with our rice blend seasoned with Gold Star Chili spices, grated cheddar cheese, beans, lettuce, tomato and chipotle ranch sauce.

Choose from:

- Gold Star Chili
- Tex-Mex Chili
- Veggie Chili
- Grilled Chicken
- Crispy Chicken

Make it your way:

- Firehouse Spice Mix
- Onions
- Jalapeños
- Black Olives
- Sour Cream

Top your Burrito
Chili Burrito Topper: Chili, Cheese & Sour Cream
Chicken Burrito Topper: Chipotle Ranch Sauce, Cheese & Sour Cream

Tex-Mex Nachos Tortilla chips piled high with our unique Tex-Mex blend of chili, tomatoes, jalapeños, cheddar cheese, black olives and sour cream.

Bowl of Tex-Mex Chili Our own blend of traditional Tex-Mex chili.

■ Gold Star Chili signature item.
♥ Gold Star Chili healthy option. The addition of cheese, condiments and dressing alters nutritional value.

Gold Star Cincinnati Chili Classics

Classic Combos

Combo 1
Regular 3-Way, garlic bread and regular drink. \$7.99
With 4-Way \$7.99
With 5-Way \$8.19

Combo 2
Two Cheese Conneys, regular fries, and regular drink. \$6.99

Combo 3
Three Cheese Conneys and regular drink. \$6.99

Combo 4
Regular 3-Way, one Cheese Coney and regular drink. \$7.99
With 4-Way \$8.19
With 5-Way \$8.39

Coneys

■ **Cheese Coney** A Cincinnati tradition, the Classic Cheese Coney. A specially made hot dog from Blue Grass Quality Meats served in a steamed Klosterman bun topped with a hint of mustard, Gold Star's famous Cincinnati-style chili, chopped onions, and freshly grated cheddar cheese.

■ **Coney** A Blue Grass Quality Meats hot dog served in a steamed Klosterman bun topped with our famous chili, chopped onions and a hint of mustard.

■ **Chili Cheese Sandwich** A Cheese Coney without the hot dog.

■ **Firehouse Coney** Top your Coney with roasted red pepper sauce and our unique 6-pepper spice mix.

■ **Coney Bowl** Three hot dogs from Blue Grass Quality Meats served in a bowl of our famous Cincinnati-style chili topped with grated cheddar cheese.

■ **Coney Crate** Great to share! 10 Cheese Conneys packaged in our award-winning Coney Crate.

Ways

■ **3-Way** Cincinnati's hometown favorite. Piping hot spaghetti smothered in Gold Star Chili's famous recipe chili and topped with freshly grated cheddar cheese.
Regular Super Small/Child

■ **4-Way** Add onions or beans to your 3-Way.
Regular Super Small/Child

■ **5-Way** Top your spaghetti with chili, beans, onions and cheddar cheese.
Regular Super Small/Child

■ **Chili Spaghetti** Cincinnati's unique style of chili served over steaming spaghetti known as the 2-way.
Regular Super Small/Child

Add onions or beans to your 2-Way chili spaghetti.
Regular Super Small/Child

Go all the way with both onions and beans on your 2-Way chili spaghetti!
Regular Super Small/Child

■ **Firehouse Way** Enjoy any of Gold Star Chili's signature Ways as a Firehouse Way. We'll add roasted red pepper sauce and top it with our unique 6-pepper spice mix.

■ **Bowl of Original Gold Star Chili** Gold Star Chili's family recipe.

Make It Your Way!
Extra side of chili
Double the cheese
Zesty with a topping of jalapeños

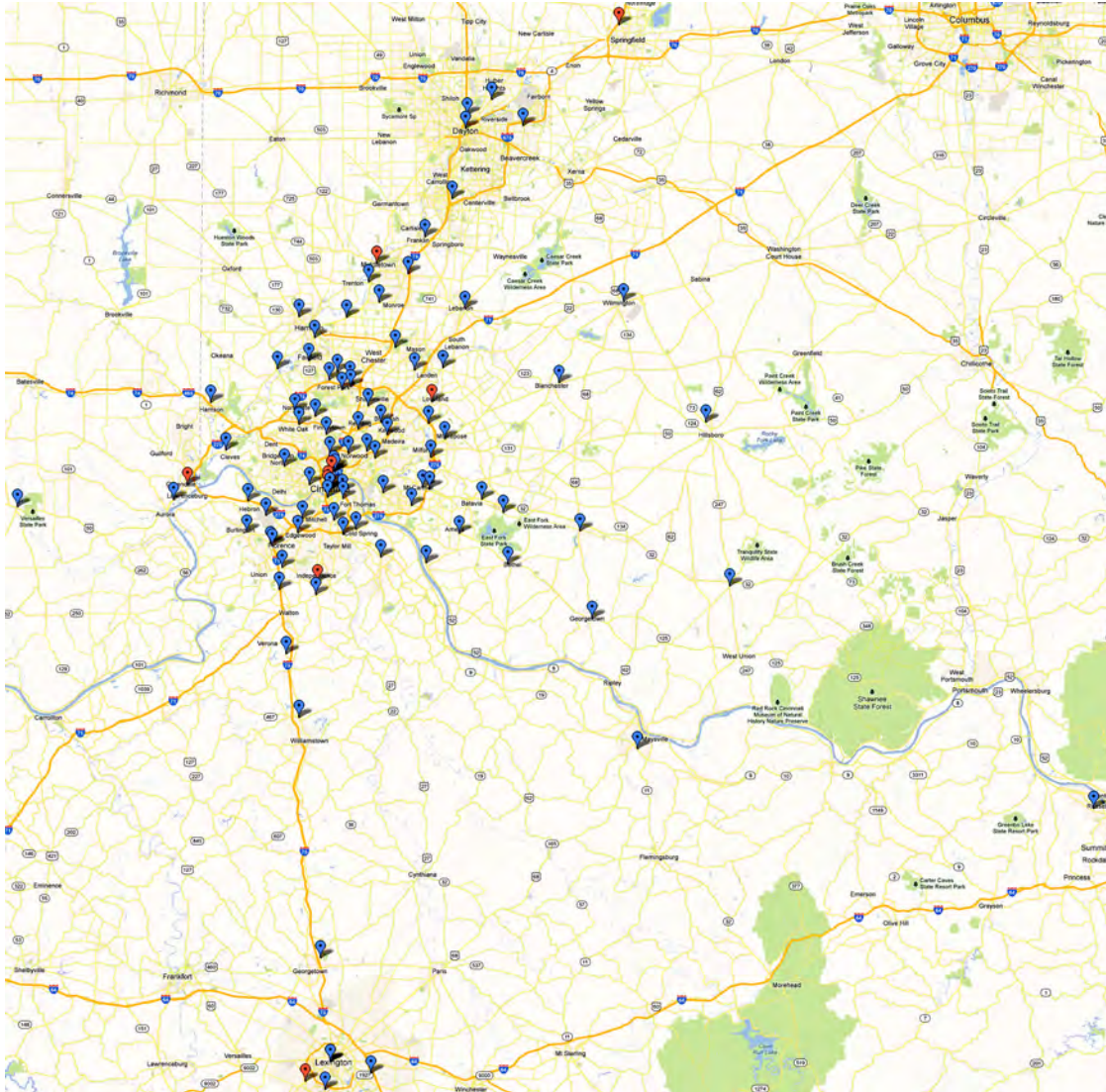
Double Deckers

A Cincinnati classic and now a Gold Star Chili favorite! Freshly toasted bread piled with your choice of thinly sliced Blue Grass quality deli meat and finished off with cheddar or swiss cheese, crisp lettuce, fresh tomatoes and real mayonnaise.

Double Decker Pick any two: Roast Beef, Turkey, Ham or Bacon.
Single Decker Roast Beef, Turkey, Ham or Bacon.
Add extra bacon to any Double or Single Decker.

Appendix 3: Location Maps

The following map shows 88 existing Gold Star Chili locations and the twelve new Gold Star Chili restaurants that are proposed in this business plan. Existing locations are shown with blue markers and proposed new locations are shown with red markers. This map was created using Google Maps data and a Google Maps application.



Appendix 4: Real Estate Details

Germantown, Ohio

Hickory Pointe Centre Germantown, Ohio

Hickory Pointe Centre a mixed-use development in Germantown suitable for restaurant, retail or office users.

Strip center space available from 1200 sf to 10,000 sf

Outparcels available for sale/lease

Excellent visibility with 1522 feet of direct frontage on SR4/SR725

Safe and easy access at the signalized intersection of SR4/SR715 and Butter St.


Prime location on a major thoroughfare offering the highest traffic volume in German Township

Directly across the street from McDonalds, IGA, CVS and Movie Gallery

Adjacent to a new 80 unit upscale, single-family residential community in it's final phase of construction and other new residential neighborhoods.

Parcel Availability

Call or email us today for current information on availability at Hickory Pointe

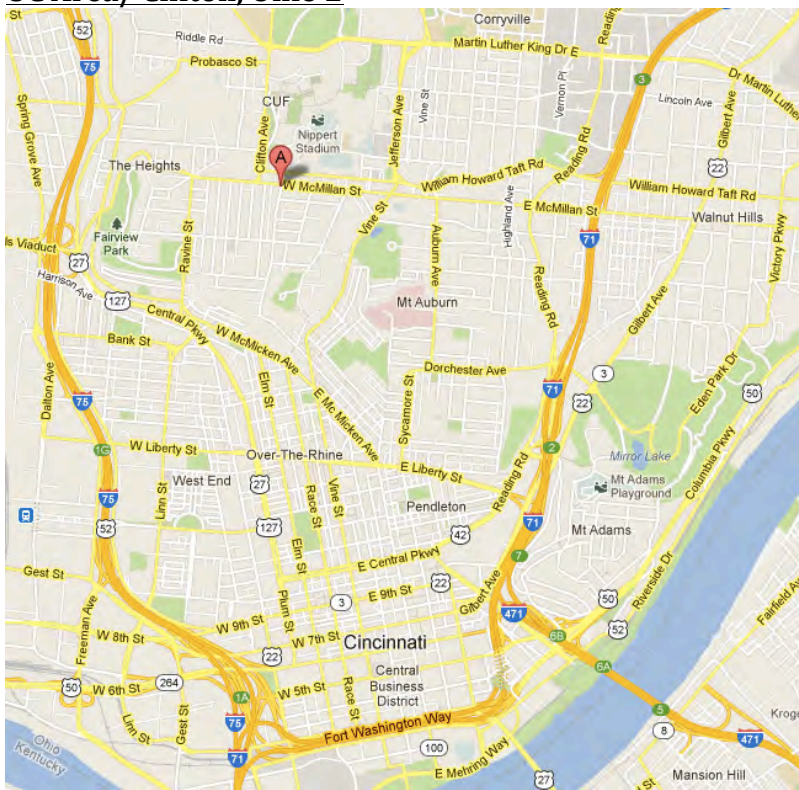


937-746-2932

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UC Area/ Clifton, Ohio 2



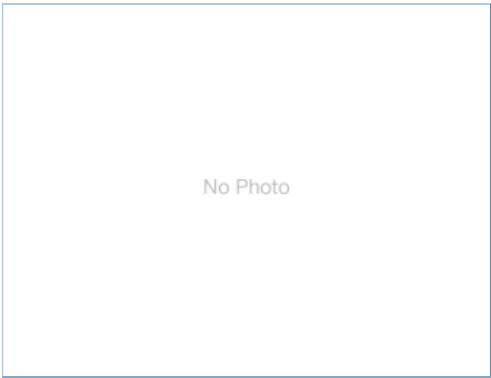


LoopNet - 200 West McMillan, Retail (Other), 200 West McMillan, Cincinnati, OH

2/28/13 2:26 PM

Retail Property - Off Market

200 West McMillan
200 West McMillan, Cincinnati, OH 45211



Price:	\$900,000
Building Size:	6,000 SF
Price/SF:	\$150
Property Type:	Retail
Property Sub-type:	Retail (Other)
Property Use Type:	Net Lease Investment with 1 years left on lease
Commission Split:	6%
Cap Rate:	5%
Tenancy:	Multiple

Last Updated 232 days ago
Listing ID 17742134

Downtown Cincinnati, Ohio 1



8 E. Fourth Street / Cincinnati, OH 45202

- Located near prime downtown corner of 4th and Vine Street in the heart of CBD
- Pedestrian Traffic >2,500 people per day
- Opportunity for signage for tenants
- Loading dock in alley way allows for flexibility for street-level tenants
- Retail space set up for restaurant use
- 5,200 SF of front Retail Space
- 6,100 SF of 2nd floor Office Space
- 3,000 SF of 3rd floor Office Space
- Office has elevator and separate entrance



For more information, contact:

Andrew Sellet
513-763-3053
andrew.sellet@cassidyurley.com

www.cassidyurley.com
221 E. Fourth St., 26th Floor
Cincinnati, OH 45202
cassidyurley.com



The information contained herein was obtained from sources we consider reliable. We cannot be responsible, however, for errors, omissions, prior sales, withdrawal from the market or change in price. Seller and broker make no representation as to the environmental condition of the property and recommend purchaser's independent investigation.

An aerial photograph of downtown St. Louis, Missouri. A red star is placed on the west side of the city, near the intersection of W. 4th St and N. 4th St, marking the location of the Gateway Arch. The map shows a dense grid of streets, including W. Central Pkwy, E. Main St, and various numbered streets. Major highways like I-70, I-64, and I-55 are visible. The Gateway Arch is a prominent landmark on the right side of the map. The St. Louis Zoo is visible in the bottom right corner. The Mississippi River is on the far right.

DEMOGRAPHICS

Summary Profile



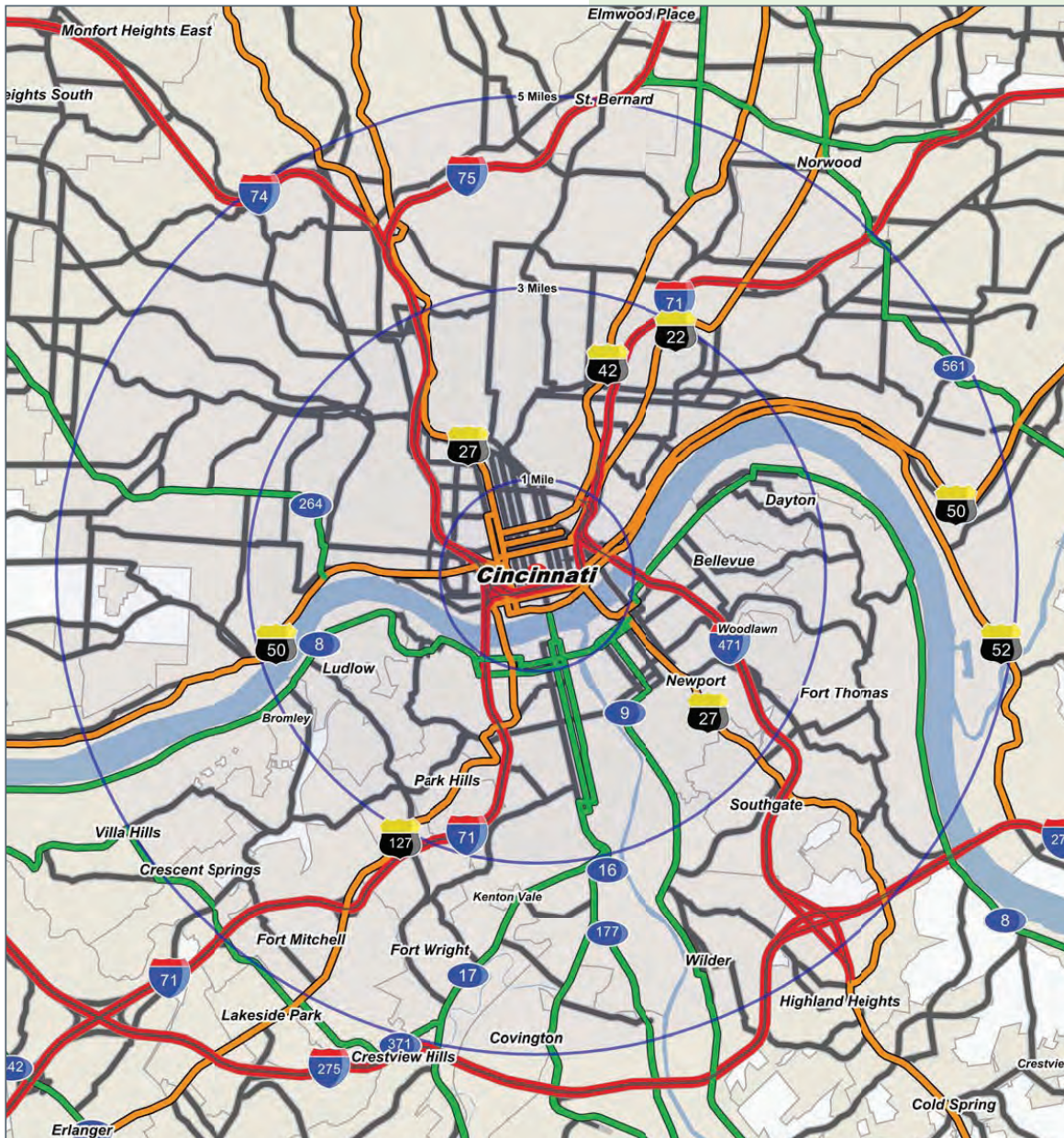
2000 - 2010 Census, 2011 Estimates with 2016 Projections
Calculated using Proportional Block Groups

Lat/Lon: 39.10003/-84.51238

8 E 4th Street Cincinnati, OH		1 Mile	3 Miles	5 Miles
POPULATION	2011 Estimated Population	16,079	133,330	291,966
	2016 Estimated Population	15,949	132,938	282,618
	2010 Census Population	15,966	133,238	293,171
	2000 Census Population	16,035	145,359	324,112
	Historical Annual Growth 2000 to 2011	-	-0.8%	-0.9%
	Projected Annual Growth 2011 to 2016	-0.2%	-0.1%	-0.6%
	2011 Median Age	38.88	37.81	36.94
HOUSEHOLDS	2011 Estimated Households	7,964	58,099	125,369
	2016 Projected Households	8,164	58,250	124,136
	2010 Census Households	7,856	58,080	125,344
	2000 Census Households	7,861	63,748	138,436
	Historical Annual Growth 2000 to 2011	0.1%	-0.8%	-0.9%
	Projected Annual Growth 2011 to 2016	0.5%	0.1%	-0.2%
POPULATION BY RACE	2011 Estimated White	49.9%	66.4%	65.4%
	2011 Estimated Black or African American	44.9%	27.3%	28.9%
	2011 Estimated Asian & Pacific Islander	2.3%	2.4%	2.0%
	2011 Estimated American Indian & Native Alaskan	-	0.1%	0.1%
	2011 Estimated Other Races	0.7%	1.0%	1.0%
	2011 Estimated Hispanic	3.2%	3.4%	3.2%
INCOME	2011 Estimated Average Household Income	\$56,898	\$49,864	\$56,255
	2011 Estimated Median Household Income	\$34,366.74	\$35,740.77	\$41,245.79
	2011 Estimated Per Capita Income	\$32,976	\$23,753	\$25,475
EDUCATION (AGE 25+)	2011 Elementary	4.0%	6.5%	5.5%
	2011 Some High School	14.3%	15.3%	14.8%
	2011 High School Graduate	33.1%	33.3%	34.0%
	2011 Some College	19.1%	19.3%	20.9%
	2011 Associates Degree Only	5.7%	6.7%	7.5%
	2011 Bachelors Degree Only	24.1%	21.7%	22.1%
	2011 Graduate Degree	18.5%	15.3%	14.4%
BUSINESS	Number of Businesses	3,446	9,789	14,209
	Total Number of Employees	84,944	202,468	260,136
	Employee Population per Business	24.7	20.7	18.3
	Residential Population per Business	4.7	13.6	20.5

This report was produced using data from private and government sources deemed to be reliable. The information herein is provided without representation or warranty.

DEMOGRAPHIC MAP



For additional information contact:

Andrew Sellet

513-763-3053

andrew.sellet@cassidytruley.com

221 E. Fourth St., 26th Floor
Cincinnati, OH 45202

Downtown Cincinnati, Ohio 2

FOR SALE

814 Plum Street

Cincinnati, Ohio 45202

Price Reduction!

\$290,000 Sale Price

9,450 sq. ft. building

- 3,150 sq. ft. per floor
- Renovated in 1999
- Newly painted throughout
- Soaring 10' ceilings
- Convenient and affordable parking options across the street
- Immediate access to I-75, easy access to I-71 and I-471



For more information, contact:

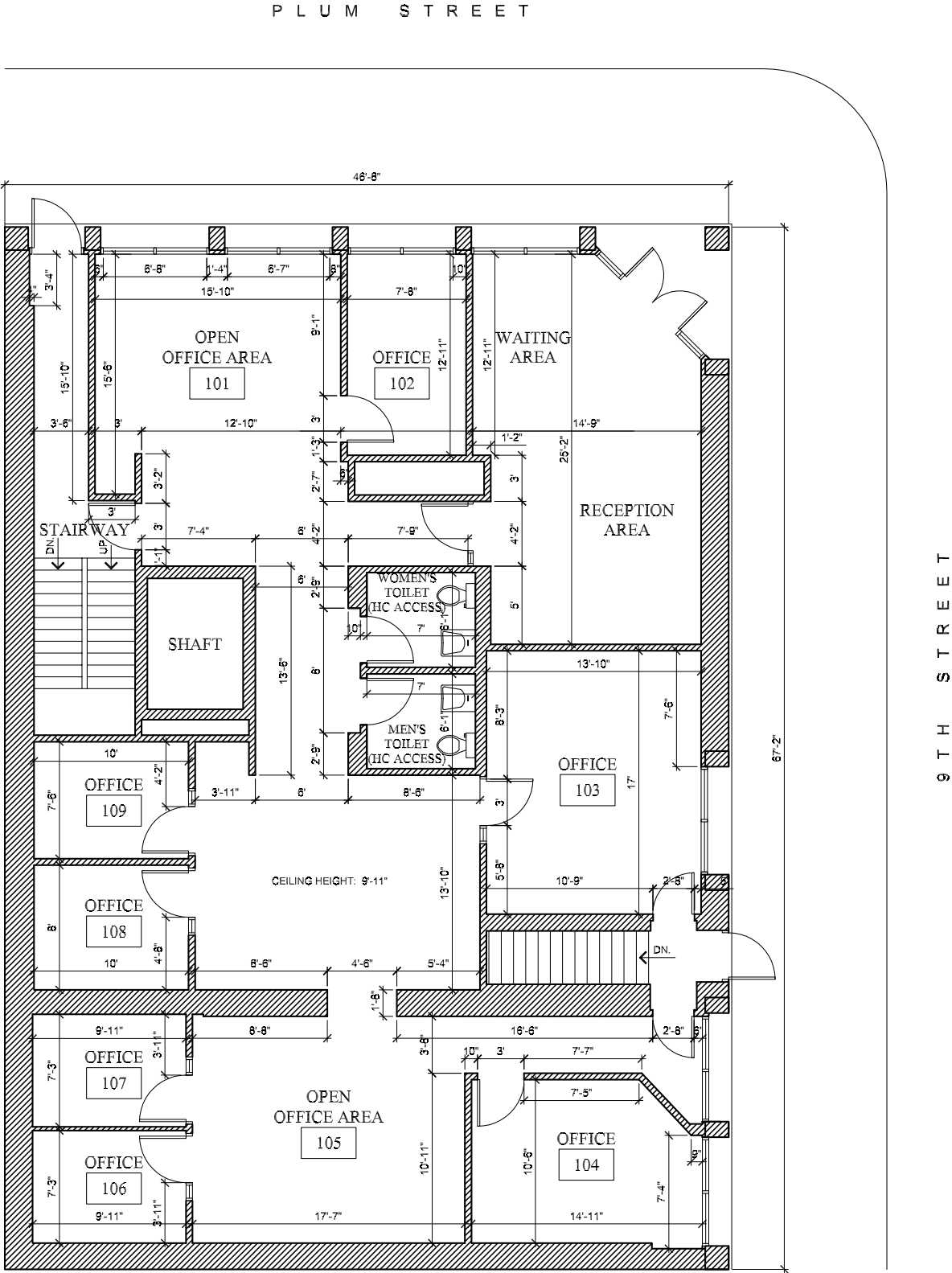
Joe Janszen
joe.janszen@cassidyturley.com
513.549.3011

221 E Fourth St
26th Floor
Cincinnati, OH 45202
cassidyturley.com

**Cassidy
Turley** Commercial
Real Estate Services

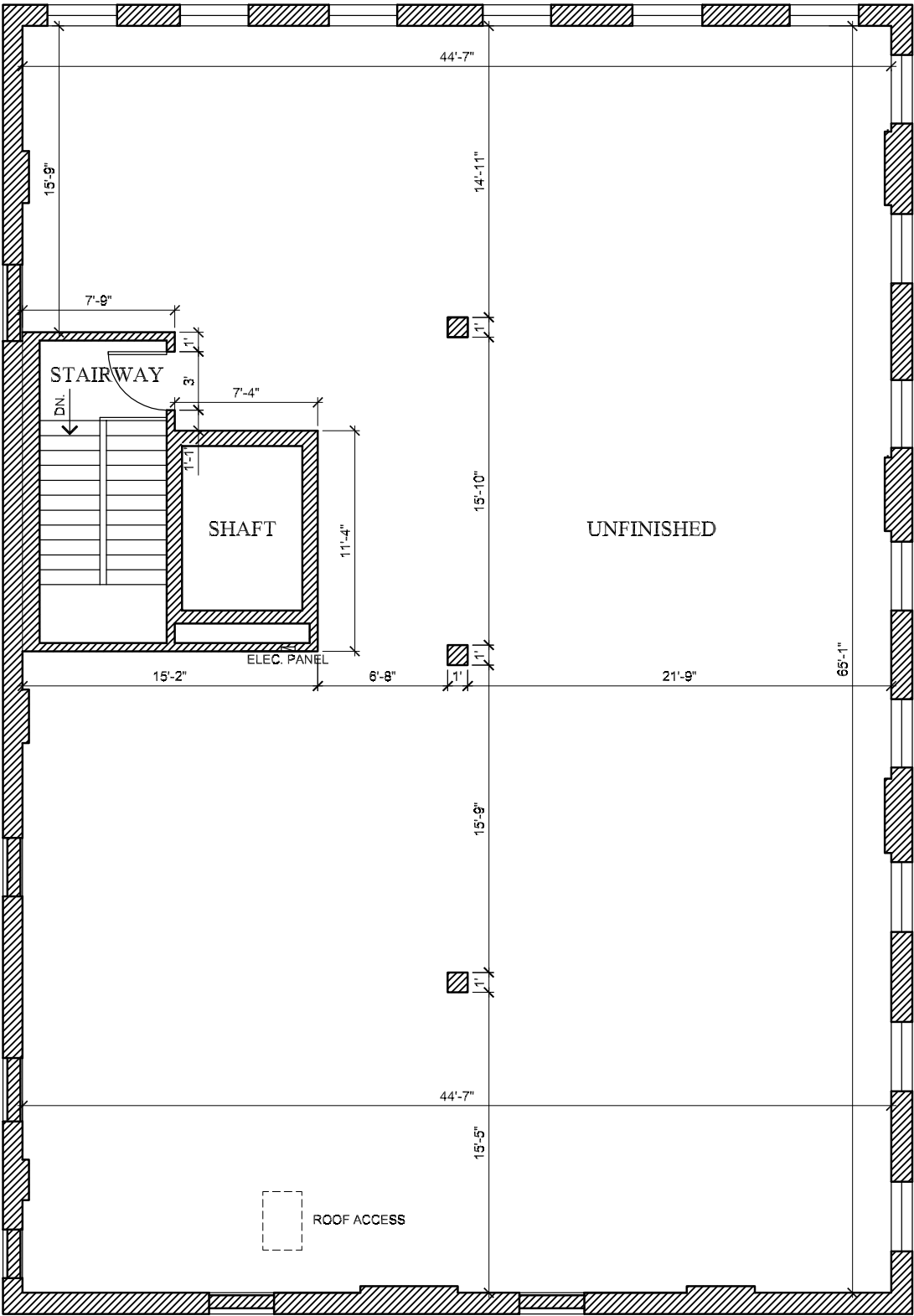
The information contained herein was obtained from sources we consider reliable. We cannot be responsible, however, for errors, omissions, prior sales, withdrawal from the market or change in price. Seller and broker make no representation as to the environmental condition of the property and recommend purchaser's independent investigation.

First Floor Plan

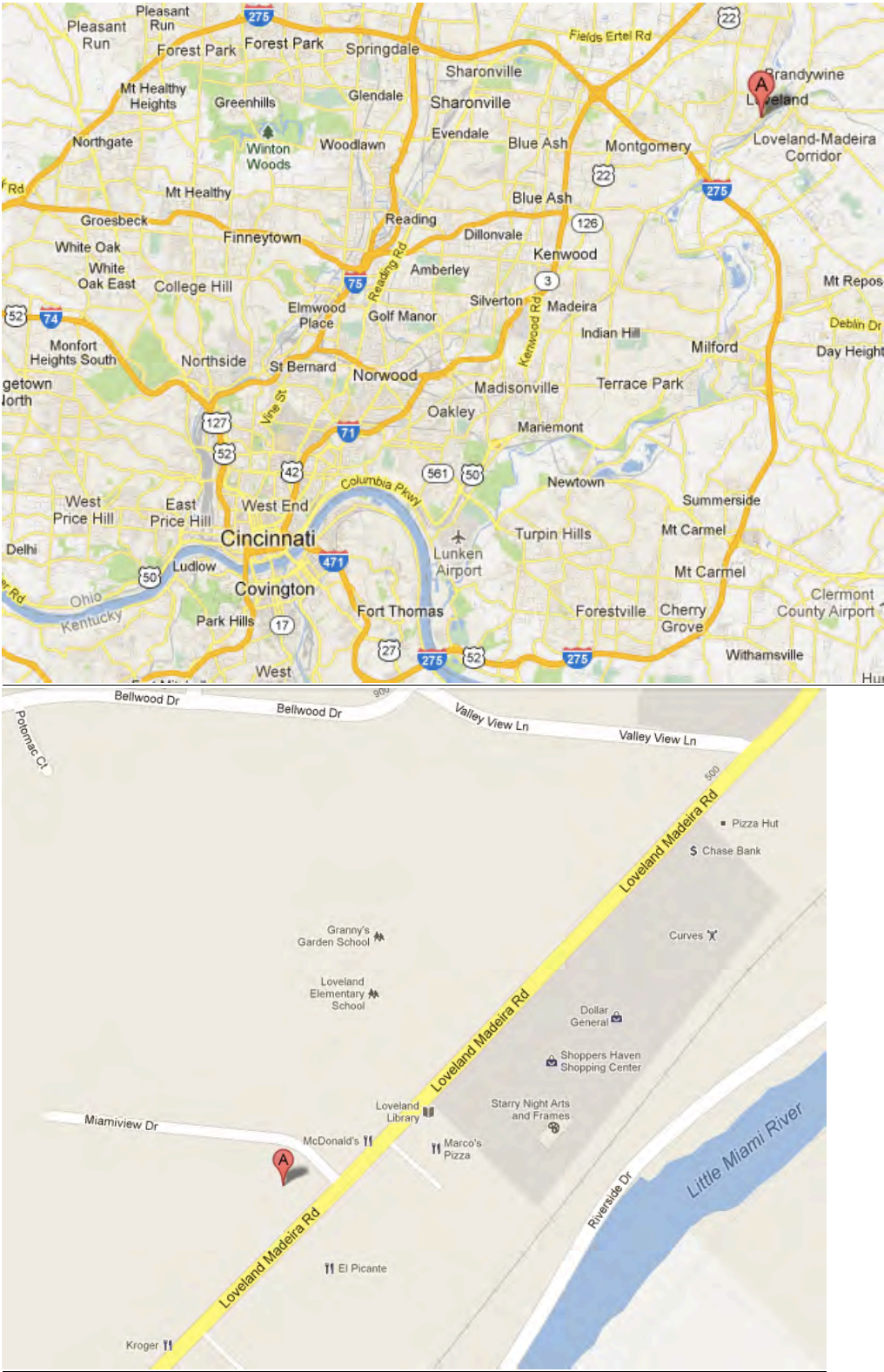




Third Floor Plan



Loveland, Ohio

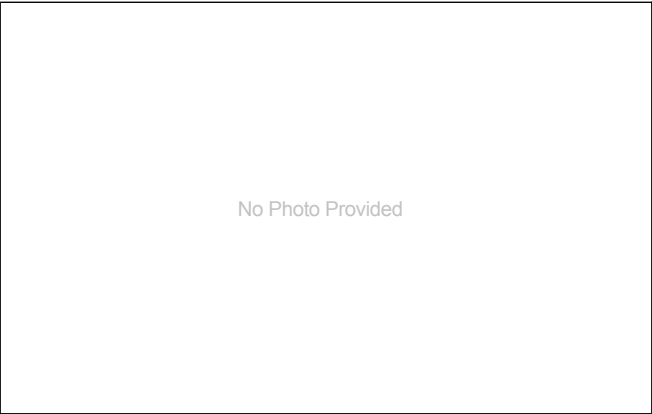


Prepared for
2/27/2013

Presented by Terry Chan
(513) 400-8533
terry.chan@midwesteb5.com

Properties for Sale

1	700 Loveland Maderia Road, Loveland, OH 45140
---	---



Property Details	
Price	\$395,000
Building Size	3,171 SF
Lot Size	0.75 AC
Price/SF	\$124.57 /SF
Property Type	Retail
Property Sub-type	Restaurant
Property Use Type	Vacant/Owner-User
Status	Active
Property Notes	

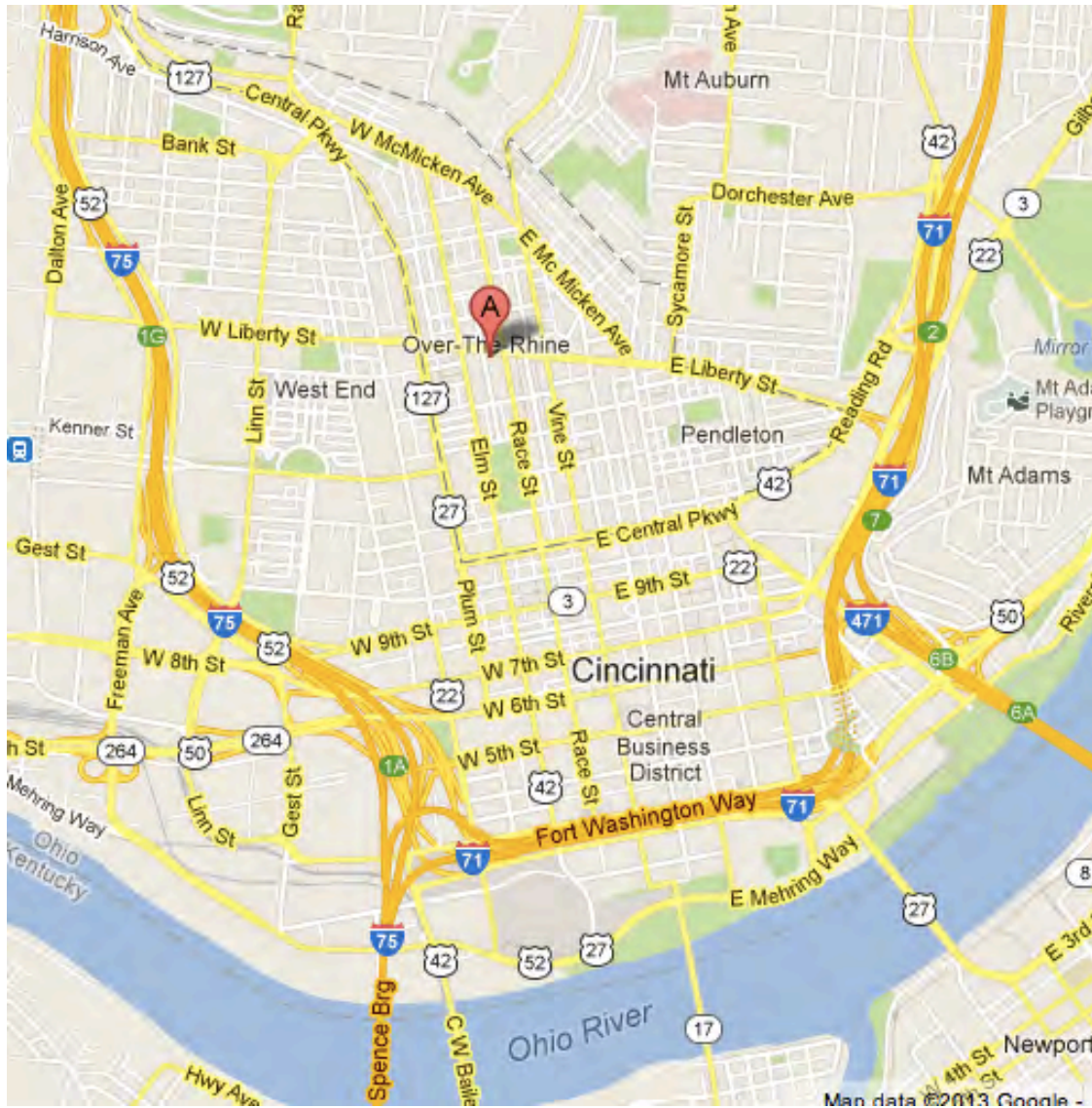
Property Description

Former Wings & Rings Restaurant orginally built in 1978 as a Hardee's Restaurant. The current owner converted it in 1995 to a BUffalo Wings & Rings Restaurant. The facility has been closed for a approximately 1 year. the building is in need or extensive repairs as well as the parking lot. The asking price includes all FF&E.

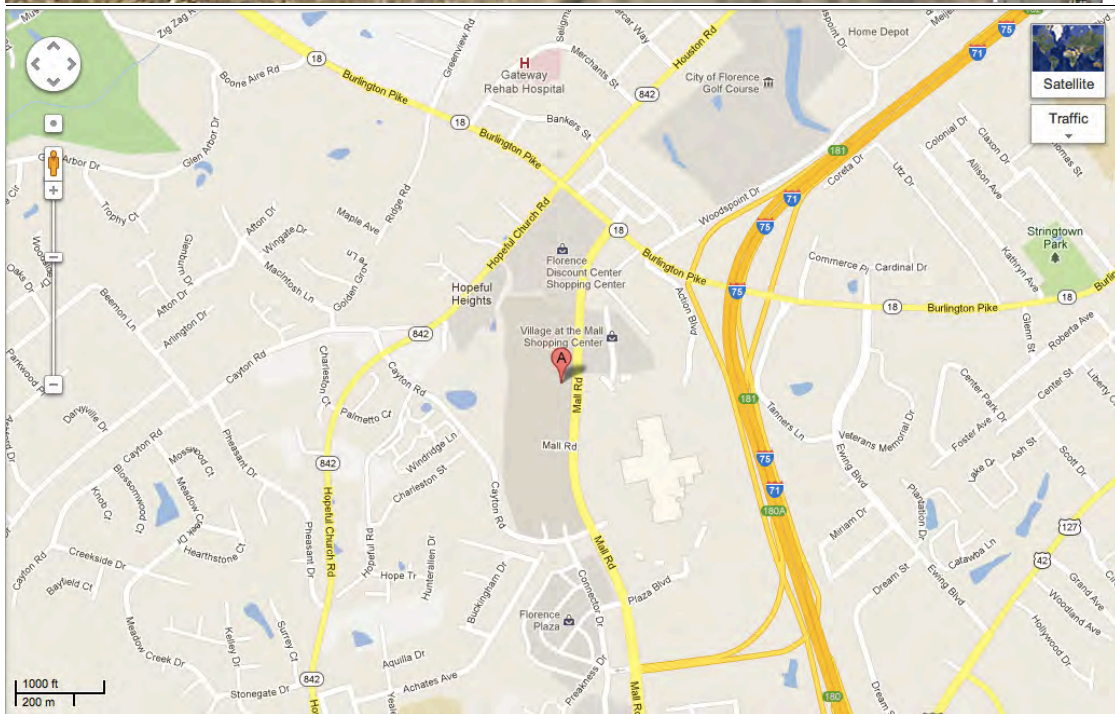
Location Description

Located in the heart of Loveland. Excellend location on a corner directly next to a brand new, double drive through McDonalds. The other side is a Kroger store.

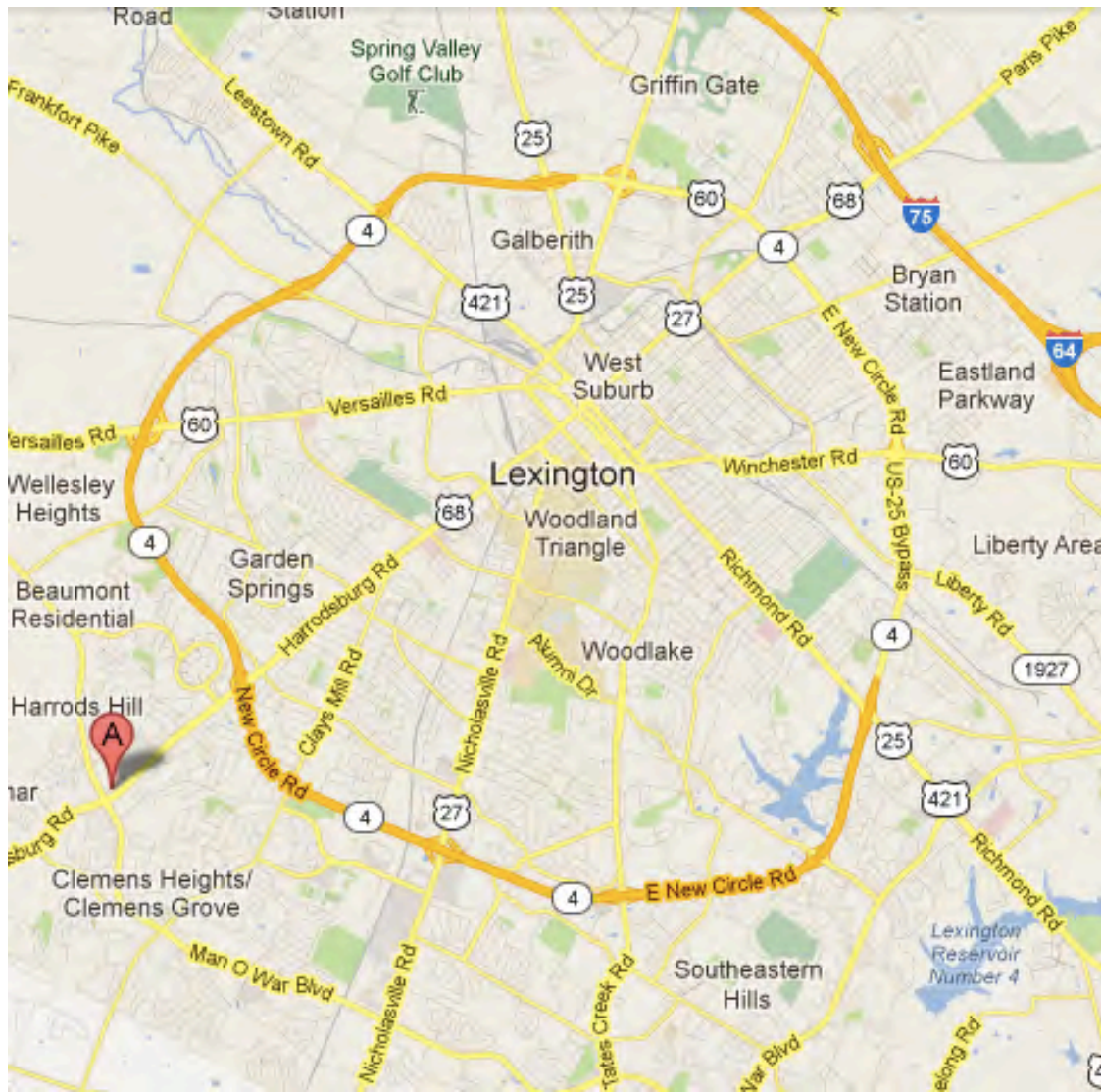
Over the Rhine, Cincinnati, Ohio

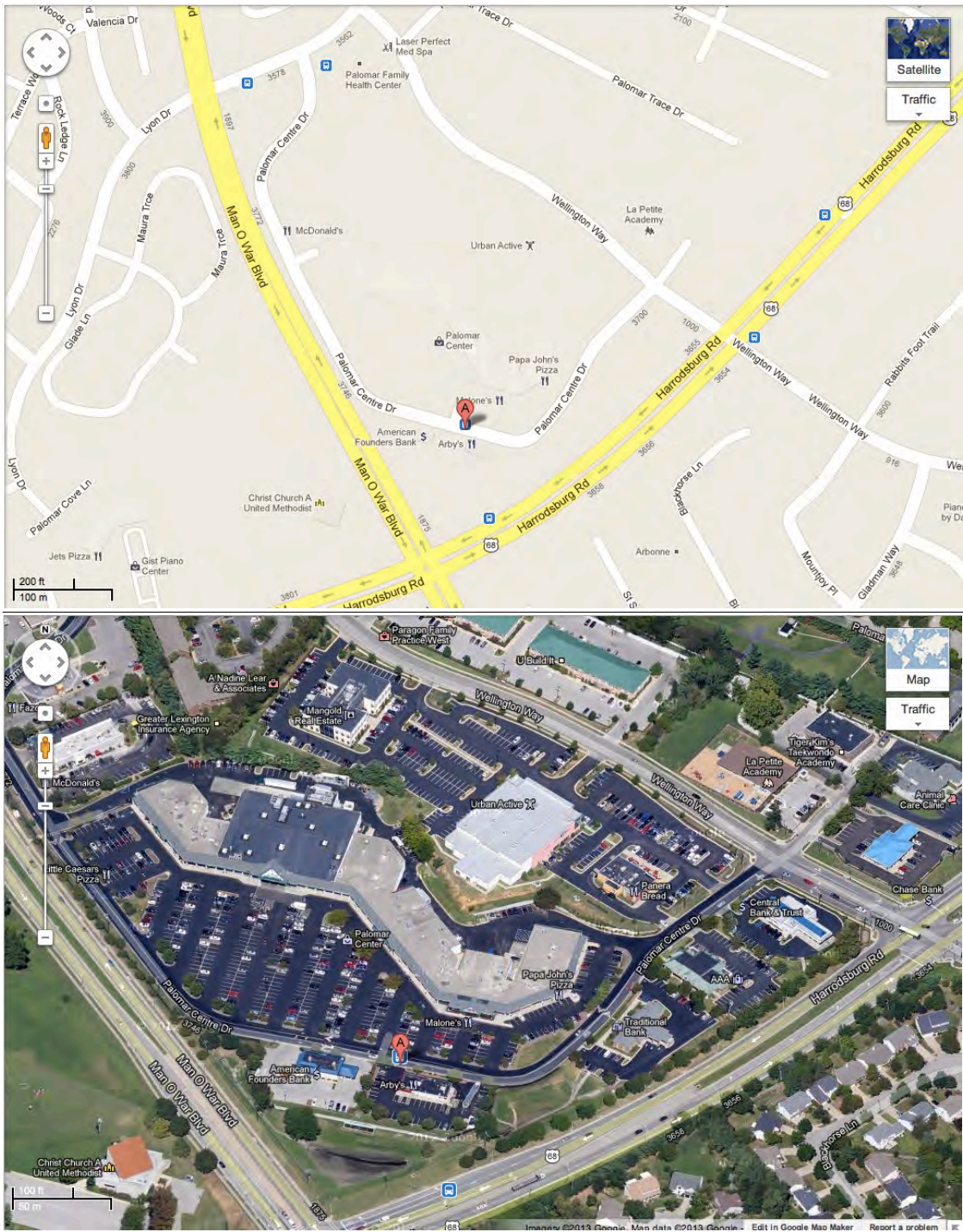


Florence, Kentucky

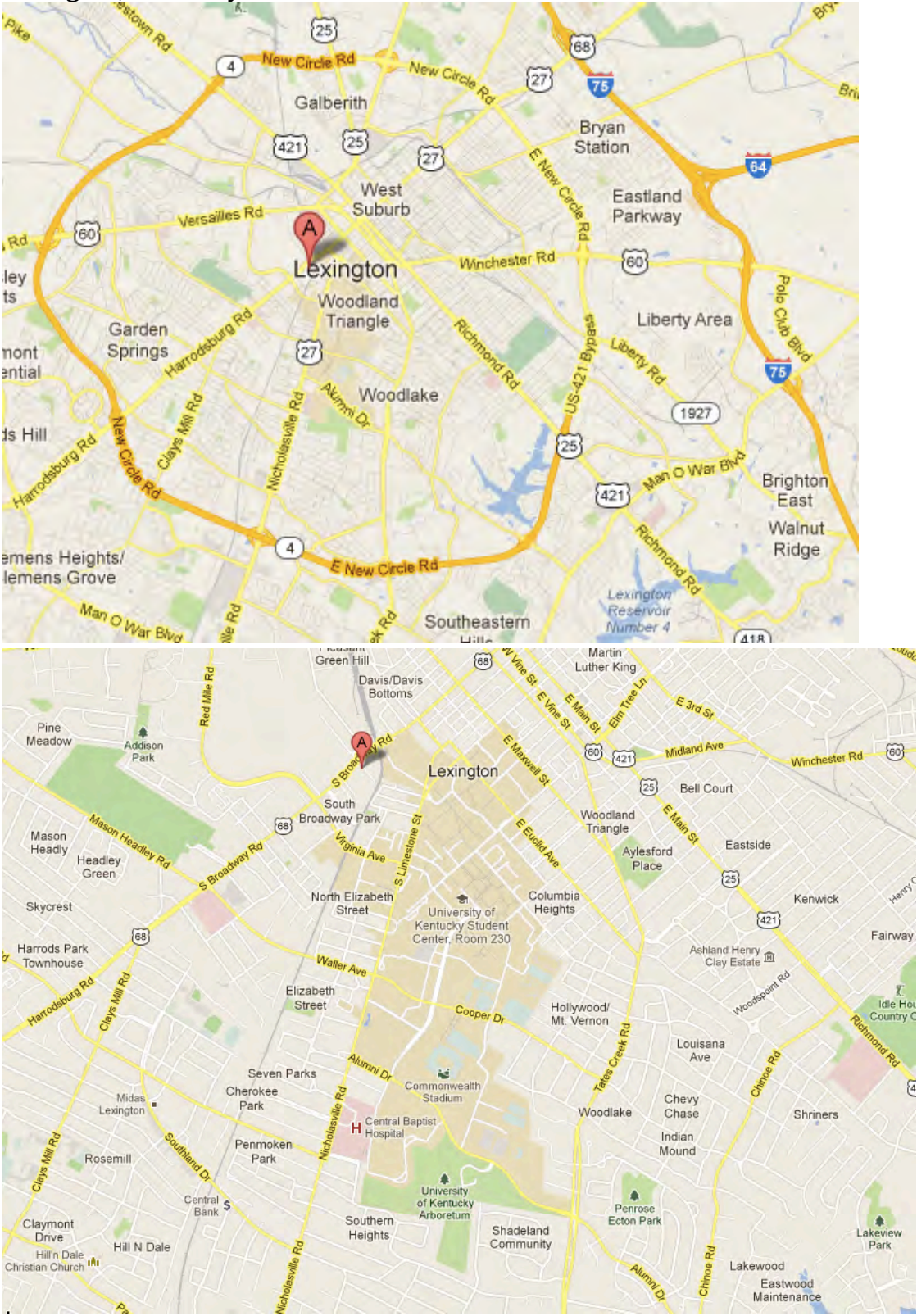


Palomar, Lexington, Kentucky





Lexington, Kentucky



Greendale, Indiana

LoopNet - Tanners Creek Retail Complex, Retail (land), 881 Eads Parkway, Lawrenceburg, IN

1/31/13 1:53 PM

Hilsinger Management Co. LTD

Craig Hilsinger — (513) 598-1990

Land For Sale

Tanners Creek Retail Complex

881 Eads Parkway, Lawrenceburg, IN 47025



Price:	\$495,000
Lot Size:	1.20 AC
Property Type:	Land
Property Sub-type:	Retail (land)
Zoning Description:	Retail

Last Updated 13 days ago
Listing ID 14521204

1 Lot Available

Lot 1	Price:	\$495,000
	Lot Size:	1.20 AC
	Price/AC:	\$412,499.98
	Lot Type:	Retail (land)

Highlights

- Great Exposure
- Across the Street from Lowe's
- Perfect for Restaurant or Motel
- Near new Honda Plant

Description

240 Feet of frontage on 50,000 plus cars per day Eads Parkway (Route 50) in Lawrenceburg, IN. This site is next door to a Brand New Arby's. Rapidly growing, Lawrenceburg is home to the Hollywood Casino, the busiest Riverboat Casino in the world. Usable area of the 2.4 acre site is 240 feet wide and 200 feet deep with connector road access to the singalized intersection of Route 50 and Tanners Creek Drive the Retail Center of the County and the primary shopping destination for four and a half counties. The intersection is the access point for Kroger, Lowe's, US Post Office, McDonalds, Steak & Shake, United Dairy Farmers, Blockbuster and others. Can divide for slight price adjustment.

Located at the intersection of Route 50 and Tanners Creek Drive in Lawrenceburg, IN. Accross the street from Kroger, Lowe's and at the same intersection as McDonalds, Steak & Shake, United Dairy Farmers and next door to a

<http://www.loopnet.com/xNet/MainSite/Listing/Profile/PrintProfile.aspx?LID=14521204&ShowAudit=false>

Page 1 of 2

New Arby's.

Map of 881 Eads Parkway, Lawrenceburg, IN 47025 (Dearborn County)



Additional Photos



Aerial Photo

Created 3/1/2006

Appendix 5: Key Competitor Metrics and Industry Data

McDonald's

Income Statement for "Average" U.S. McDonald's Franchisee (Per Traditional Store)

	Dollar Amount	% of Net Sales
Net Sales	\$2,700,000	100.0%
Food Costs	\$810,000	30.0%
Paper Costs	\$108,000	4.0%
Total Cost of Sales	\$918,000	34.0%
Gross Profits	\$1,782,000	66.0%
Crew Payroll	\$540,000	20.0%
Manager Payroll	\$108,000	4.0%
Payroll Taxes	\$54,000	2.0%
Advertising	\$108,000	4.0%
Promotions	\$13,500	0.5%
Outside Services	\$27,000	1.0%
Linen	\$5,400	0.2%
Operating Supplies	\$27,000	1.0%
Maintenance & Repair	\$40,500	1.5%
Utilities	\$81,000	3.0%
Cash Over/Short	\$2,700	0.1%
Miscellaneous	\$13,500	0.5%
Controllable Expenses	\$1,020,600	37.8%
Profit After Controllables	\$761,400	28.2%
Rent & Fees	\$391,500	14.5%
Legal & Accounting	\$8,100	0.3%
Insurance	\$54,000	2.0%
Taxes & Licenses	\$27,000	1.0%
Miscellaneous Income/Expenses	\$2,700	0.1%
Depreciation/Amortization	\$94,500	3.5%
Interest Expense	\$27,000	1.0%
Net Non-Product	\$2,700	0.1%
Total Non-Controllable Expenses	\$607,500	22.5%
Store-Level Operating Income	\$153,900	5.7%

Source: Janney Capital Markets

- In 2009 McDonalds registered over \$31b in sales in the U.S.
- In 2009 there were a total of 13,980 McDonalds Locations in the U.S.
- Each McDonald's location averages \$2.2mm in annual revenues
- Worldwide, McDonald's serves 46mm customers every day
- There are a total of 32,478 McDonald's restaurants worldwide
- On average each McDonald's restaurant serves 1, 416 customers per day
- The average check at McDonald's is approximately \$4.25

Kentucky Fried Chicken (KFC)

- In 2009 KFC registered over 4.9b in sales in the U.S.
- In 2011 there were a total of 5,200 KFC locations in the U.S.
- Each KFC location averages \$940k in annual revenues
- Worldwide, KFC serves 12mm customers per day.
- There are a total of 17,401 KFC restaurants world wide as of 2011.
- On average each KFC restaurant serves 690 customers per day
- The average check at KFC is approximately \$3.75

Pizza Hut

- In 2009 Pizza Hut registered over \$5b in sales in the U.S.
- In 2011 there were a total of 7,566 Pizza Hut locations in the U.S.
- Each Pizza Hut location averages \$660k in annual revenues
- Worldwide, Pizza Hut serves 4mm customers per day.
- There are a total of 13,147 Pizza Hut restaurants world wide as of 2011.
- On average each Pizza Hut restaurant serves 304 customers per day
- The average check at Pizza Hut is approximately \$6.00

Appendix 6: Draw Process

Disbursement of Funds into project from LP

1. Borrower submits loan draw forms G702/703 and related material
 - a. Invoices
 - b. Job creation reporting form
 - c. Lien Waivers
 - d. Use of funds from previous draw
2. Investment committee reviews materials (1 week) to check for completeness and compliance
 - a. Economist
 - b. Immigration counsel
 - c. Loan administrator
3. Draws will be disbursed in order of complete packages received (partial requests not processed)
4. Funds disbursed at the end of the week from LP to borrowing entity

Documents Required

G702/703

Invoices

Receipts

Lien Waivers

Job creation reporting form

Use of funds from previous draw

Bank statements

Check register

I-9 copies

E-verify reports